



LODI CITY COUNCIL

Carnegie Forum

305 West Pine Street, Lodi

AGENDA – REGULAR MEETING

Date: April 2, 2008

Time: Closed Session 6:15 p.m.
Regular Meeting 7:00 p.m.

For information regarding this Agenda please contact:

Randi Johl

City Clerk

Telephone: (209) 333-6702

NOTE: All staff reports or other written documentation relating to each item of business referred to on the agenda are on file in the Office of the City Clerk, located at 221 W. Pine Street, Lodi, and are available for public inspection. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. To make a request for disability-related modification or accommodation contact the City Clerk's Office as soon as possible and at least 24 hours prior to the meeting date.

C-1 Call to Order / Roll Call

C-2 Announcement of Closed Session

- a) Pursuant to Government Code §54956.9(c); Conference with Legal Counsel; Anticipated Litigation/Initiation of Litigation Regarding MBIA Bond Insurance on the Series 2002 Electric System Revenue Certificates of Participation; One Potential Case
- b) Actual Litigation: Government Code §54956.9(a); One Case; City of Lodi, et al. v. EBMUD, State Water Resources Control Board, Application No. 13156

C-3 Adjourn to Closed Session

NOTE: THE FOLLOWING ITEMS WILL COMMENCE NO SOONER THAN 7:00 P.M.

C-4 Return to Open Session / Disclosure of Action

A. Call to Order / Roll call

B. Invocation – Father Brandon Ware, St. Anne's Catholic Church

C. Pledge of Allegiance

D. Presentations

D-1 Awards – None

D-2 Proclamations

- a) National Library Week / National Library Workers' Day (LIB)
- b) National Boys and Girls Club Week
- c) Firefighter Muscular Dystrophy Association "Fill the Boot" Fundraiser (FD)

D-3 Presentations

- a) Presentation of Resolution of Appreciation to Retiring Public Works Director, Richard Prima

E. Consent Calendar (Reading; Comments by the Public; Council Action)

E-1 Receive Register of Claims in the Amount of \$4,368,217.19 (FIN)

E-2 Approve Minutes (CLK)

- a) March 5, 2008 (Regular Meeting)
- b) March 19, 2008 (Regular Meeting)

E-3 Approve Request for Proposals for Audit Services and Authorize the Advertisement for Proposals (CM)

- E-4 Approve Request for Proposals to Replace and Upgrade the Existing Remote Meter Reading System and Services for Time-of-Use Electric Customers (Large Customer Class) and Authorize the Advertisement for Proposals (EUD)
- E-5 Approve Plans and Specifications and Authorize Advertisement for Bids for Lower Sacramento Road West Frontage Road Wastewater Pipe Improvements (Bayberry Drive to Tejon Street) (PW)
- E-6 Approve Specifications and Authorize Advertisement for Bids for 3,000 Tons of Asphalt Materials for Fiscal Year 2008-09 (PW)
- Res. E-7 Adopt Resolution Rejecting the Low Bid and Awarding the Purchase of a Self-Propelled Mini-Digger Derrick to the Lowest Responsive Bidder, Utility Equipment Leasing Corporation, of Sacramento, CA (\$119,574.45) (EUD)
- Res. E-8 Adopt Resolution Rejecting the Two Low Bidders and Awarding the Purchase of a Portable Self-Contained Vacuum Excavation Unit to the Lowest Responsive Bidder, Ditch Witch Equipment Company, Inc., of Sacramento, CA (\$58,082.66) (EUD)
- Res. E-9 Adopt Resolution Authorizing Procurement of Padmounted Liquid Insulated Vacuum Switchgear and Accessories from Trayer Engineering Corporation, of San Francisco, CA (not to exceed \$75,000) (EUD)
- Res. E-10 Adopt Resolution Accepting Improvements at 495 North Guild Avenue (PW)
- Res. E-11 Adopt Resolution Accepting Improvements at 555 North Guild Avenue (PW)
- Res. E-12 Adopt Resolution Authorizing the City Manager to Execute an Amendment to the Transit Operations Contract with MV Public Transportation, Inc., Extending the Contract through August 3, 2008, and Additional Amendments, as Necessary, for Two Additional Months (PW)
- Res. E-13 Adopt Resolution Authorizing the City Manager to Execute East Bay Municipal Utility District Protest Dismissal Agreement (PW)
- Res. E-14 Adopt Resolution Adopting the Proposed Funding Targets for City of Lodi and City of Galt for the Federal Transit Administration Section 5307 Funding for the Lodi Urbanized Area (Federal Fiscal Years 2008-12) (PW)
- Res. E-15 Adopt Resolution Approving the City of Lodi Arts & Cultural 2007-08 Grant Funding, as Approved by the Lodi Arts Commission, and Appropriating Funds (\$50,000) (COM)
- Res. E-16 Adopt Resolution Declaring the National Incident Management System as the Standard for Emergency Response in the City of Lodi (FD)
- Res. E-17 Adopt Resolution Ratifying Employment Agreement Entered into Between City Manager Blair King and Director of Public Works F. Wally Sandelin (CM)
- E-18 Authorize the Deputy City Manager/Treasurer to Enter into Agreement with Farmers and Merchants Bank of Central California for the Issuance of a City Credit Card for Public Works Director F. Wally Sandelin (CM)
- E-19 Set Public Hearing for April 16, 2008, to Consider the Annual Report for Sidewalk Repairs and to Confirm the Report as Submitted by the Public Works Department (PW)
- E-20 Set Public Hearing for April 16, 2008, to Consider Adopting Resolution Adjusting Consumer Price Index-Based Water and Wastewater Rates (PW)
- Res. E-21 Adopt Resolution of Preliminary Approval, Resolution of Intention, and Resolution Initiating Proceedings to Annex Luca Place Zone 14, Guild Avenue Industrial Zone 15, and West Kettleman Lane Commercial Zone 16 to Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1; and Set Public Hearing and Deadline for Receipt of Ballots for May 7, 2008 (PW)

F. Comments by the Public on Non-Agenda Items

THE TIME ALLOWED PER NON-AGENDA ITEM FOR COMMENTS MADE BY THE PUBLIC IS LIMITED TO FIVE MINUTES.

The City Council cannot deliberate or take any action on a non-agenda item unless there is factual evidence presented to the City Council indicating that the subject brought up by the public does fall into one of the exceptions under Government Code Section 54954.2 in that (a) there is an emergency situation, or (b) the need to take action on the item arose subsequent to the agenda's being posted.

Unless the City Council is presented with this factual evidence, the City Council will refer the matter for review and placement on a future City Council agenda.

G. Comments by the City Council Members on Non-Agenda Items

H. Comments by the City Manager on Non-Agenda Items

I. Public Hearings – None

J. Communications

J-1 Claims Filed Against the City of Lodi – None

J-2 Appointments

a) Post for Expiring Terms on the Greater Lodi Area Youth Commission (Adult Advisors & Student Appointees), Library Board of Trustees, Lodi Arts Commission, Lodi Budget/Finance Committee, and Planning Commission (CLK)

b) Appointment to the San Joaquin County Emergency Food and Shelter Program (CLK)

J-3 Miscellaneous – None

K. Regular Calendar

K-1 Approve Business Points for Solid Waste Franchise Renewal (PW)

K-2 Provide Staff Direction Regarding Water and Wastewater Rate Revenue Accounting (PW)

Ord. K-3 Introduce Ordinance Amending Lodi Municipal Code Section 2.08.020 Relating to City Council
(Introduce) Salaries (CLK)

K-4 Presentation of Financing Options for Outstanding Electric Utility Variable Rate Debt Obligation Certificates of Participation (\$46.7 Million) and Authorization for City Manager to Procure Necessary Services Related to Restructuring These Obligations (CM)

Res. K-5 Adopt Resolution Authorizing the City Manager to Execute \$2.15 Million Purchase and Sale Agreement for 9.09-Acre Electric Utility Property Located at 500 South Guild Avenue to GG Land Group LLC (EUD)

K-6 Approve Expenses Incurred by Outside Counsel/Consultants Relative to the Environmental Abatement Program Litigation (\$115,622.37) (CA)

L. Ordinances

Ord. L-1 Ordinance No. 1809 entitled, "An Uncodified Ordinance of the City Council of the City of Lodi,
(Adopt) Repealing Ordinance 847 in Its Entirety Relating to a Specific Plan for Lower Sacramento Road from West Lodi Avenue to West Turner Road" (CLK)

M. Adjournment

Pursuant to Section 54954.2(a) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day.

Randi Johl, City Clerk



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: National Library Week and National Library Workers' Day

MEETING DATE: April 2, 2008

PREPARED BY: Nancy Martinez

RECOMMENDED ACTION: Mayor Mounce present a proclamation proclaiming the Week of April 13 - April 19, 2008 as "National Library Week" and a proclamation proclaiming Tuesday, April 15, 2008 as "National Library Workers Day."

BACKGROUND INFORMATION: Mayor Mounce has been requested to present a proclamation proclaiming the week of April 13 - April 19, 2008 as "National Library Week" and Tuesday, April 15, 2008 as "National Library Workers Day." Nancy Martinez, Library Services Director, will be present to accept the proclamation.

FISCAL IMPACT: Not applicable

FUNDING AVAILABLE: Not applicable

Nancy C. Martinez
Library Services Director

NM/sb

APPROVED: _____
Blair King, City Manager



CITY OF LODI COUNCIL COMMUNICATION

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AGENDA TITLE: National Boys and Girls Club Week

MEETING DATE: April 2, 2008

PREPARED BY: City Clerk

RECOMMENDED ACTION: Mayor Mounce present a proclamation proclaiming the week of March 31 through April 4, 2008, as "National Boys and Girls Club Week" in the City of Lodi.

BACKGROUND INFORMATION: Mayor Mounce has been requested to present a proclamation proclaiming the week of March 31 through April 4, 2008, as "National Boys and Girls Club Week" in the City of Lodi.

Richard Jones, Executive Director of the Lodi Boys and Girls Club, will be at the meeting to accept the proclamation.

FISCAL IMPACT: None.

FUNDING AVAILABLE: None.

Randi Johl
City Clerk

RJ/JMP

APPROVED: _____
Blair King, City Manager



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Firefighter Muscular Dystrophy Association “Fill the Boot” Fundraiser (FD)
MEETING DATE: April 2, 2008
PREPARED BY: Michael E. Pretz, Fire Chief

RECOMMENDED ACTION: Mayor Mounce presents a proclamation setting the first Saturday, May 3, 2008, as the date for the Firefighter Muscular Dystrophy Association “Fill the Boot” fundraiser in the City of Lodi.

BACKGROUND INFORMATION: The Mayor has been requested to present a proclamation setting the first Saturday, May 3, 2008, as the date for the Firefighter Muscular Dystrophy Association “Fill the Boot” fundraiser in the City of Lodi. Michael Gold, with the Lodi Fire Department, will be at the meeting to accept the proclamation.

FISCAL IMPACT: None

FUNDING AVAILABLE: None

Michael E. Pretz, Fire Chief

MEP/lh

APPROVED: _____
Blair King, City Manager



CITY OF LODI COUNCIL COMMUNICATION

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AGENDA TITLE: Presentation of Resolution of Appreciation to Retiring Public Works Director, Richard Prima

MEETING DATE: April 2, 2008

PREPARED BY: City Clerk

RECOMMENDED ACTION: Mayor Mounce to present a Resolution of Appreciation to retiring Public Works Director, Richard Prima.

BACKGROUND INFORMATION: Public Works Director Prima will be retiring from the City of Lodi after 33 years of service to this community as the Public Works Director, City Engineer, Assistant City Engineer, Chief Civil Engineer, and Associate Civil Engineer. Mayor Mounce will present a Resolution of Appreciation to Mr. Prima for his outstanding, dedicated service to the City of Lodi community.

FISCAL IMPACT: None.

FUNDING AVAILABLE: None.

Randi Johl
City Clerk

RJ/JMP

APPROVED: _____
Blair King, City Manager



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CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Receive Register of Claims Dated March 6, and March 13, 2008 in the Total Amount of \$4,368,217.19

MEETING DATE: April 2, 2008

PREPARED BY: Financial Services Manager

RECOMMENDED ACTION: Receive the attached Register of Claims for \$4,368,217.19.

BACKGROUND INFORMATION: Attached is the Register of Claims in the amount of \$4,368,217.19 dated 03/06/08, and 03/13/08. Also attached is Payroll in the amount of \$1,271,086.84.

FISCAL IMPACT: n/a

FUNDING AVAILABLE: As per attached report.

Ruby R. Paiste, Financial Services Manager

RRP/rp

Attachments

APPROVED: _____
Blair King, City Manager

Accounts Payable Council Report			Page Date	- - 03/18/08
As of Thursday	Fund	Name	Amount	
03/06/08	00100	General Fund	946,746.52	
	00120	Vehicle Replacement Fund	5,809.71	
	00130	Redevelopment Agency	12,220.04	
	00160	Electric Utility Fund	19,359.80	
	00161	Utility Outlay Reserve Fund	4,338.54	
	00164	Public Benefits Fund	197.25	
	00170	Waste Water Utility Fund	23,968.30	
	00172	Waste Water Capital Reserve	1,388,093.32	
	00180	Water Utility Fund	22,691.40	
	00181	Water Utility-Capital Outlay	51.18	
	00210	Library Fund	5,977.50	
	00260	Internal Service/Equip Maint	11,976.76	
	00270	Employee Benefits	441,011.86	
	00300	General Liabilities	2,819.30	
	00310	Worker's Comp Insurance	16,151.76	
	00321	Gas Tax	412.29	
	00340	Comm Dev Special Rev Fund	26,622.57	
	00410	Bond Interest & Redemption	2,860.00	
	00501	Lcr Assessment 95-1	19,450.00	
	00510	SJ MultiSpecies Habitat Conser	243,016.03	
	00550	SJC Facilities Fees-Future Dev	33,370.21	
	01211	Capital Outlay/General Fund	1,665.00	
	01212	Parks & Rec Capital	161.60	
	01218	IMF General Facilities-Adm	22,114.37	
	01250	Dial-a-Ride/Transportation	3,308.72	
	01410	Expendable Trust	16,244.14	
Sum			3,270,638.17	
	00184	Water PCE-TCE-Settlements	31,945.07	
	00190	Central Plume	12,266.78	
Sum			44,211.85	
Total for Week				
Sum			3,314,850.02	

		Accounts Payable	Page	-	1
		Council Report	Date	-	03/18/08
As of	Fund	Name	Amount		
Thursday					
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03/13/08	00100	General Fund	319,071.23		
	00130	Redevelopment Agency	733.24		
	00160	Electric Utility Fund	117,711.05		
	00164	Public Benefits Fund	4,307.65		
	00170	Waste Water Utility Fund	37,617.96		
	00172	Waste Water Capital Reserve	24.57		
	00180	Water Utility Fund	45,216.24		
	00181	Water Utility-Capital Outlay	83,412.01		
	00182	IMF Water Facilities	28.68		
	00210	Library Fund	3,037.21		
	00260	Internal Service/Equip Maint	11,762.07		
	00270	Employee Benefits	40,682.57		
	00321	Gas Tax	21,144.07		
	00329	TDA - Streets	20,050.73		
	00340	Comm Dev Special Rev Fund	31.08		
	01211	Capital Outlay/General Fund	3,664.93		
	01212	Parks & Rec Capital	373.65		
	01250	Dial-a-Ride/Transportation	136,850.59		
	01410	Expendable Trust	15,127.38		

Sum			860,846.91		
	00184	Water PCE-TCE-Settlements	188,709.80		
	00190	Central Plume	3,810.46		

Sum			192,520.26		

Total for Week					
Sum			1,053,367.17		

Council Report for Payroll

Page
Date

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- 03/18/08

Payroll	Pay Per Date	Co	Name	Gross Pay
-				
Regular	03/09/08	00100	General Fund	831,706.01
		00160	Electric Utility Fund	188,403.61
		00164	Public Benefits Fund	5,208.75
		00170	Waste Water Utility Fund	90,831.38
		00180	Water Utility Fund	310.57
		00210	Library Fund	36,087.08
		00235	LPD-Public Safety Prog AB 1913	3,691.64
		00260	Internal Service/Equip Maint	19,285.45
		00321	Gas Tax	55,581.27
		00340	Comm Dev Special Rev Fund	36,866.52
		01250	Dial-a-Ride/Transportation	3,114.56

Pay Period Total:				
Sum				1,271,086.84



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Approve Minutes
a) March 5, 2008 (Regular Meeting)
b) March 19, 2008 (Regular Meeting)

MEETING DATE: April 2, 2008

PREPARED BY: City Clerk

RECOMMENDED ACTION: Approve the following minutes as prepared:
a) March 5, 2008 (Regular Meeting)
b) March 19, 2008 (Regular Meeting)

BACKGROUND INFORMATION: Attached are copies of the subject minutes, marked Exhibits A through B.

FISCAL IMPACT: None.

FUNDING AVAILABLE: None required.

Randi Johl
City Clerk

RJ/JMP

Attachments

APPROVED: _____
Blair King, City Manager

**LODI CITY COUNCIL
REGULAR CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, MARCH 5, 2008**

C-1 CALL TO ORDER / ROLL CALL

The City Council Closed Session meeting of March 5, 2008, was called to order by Mayor Mounce at 5:45 p.m.

Present: Council Members – Hansen, Hitchcock, Johnson, Katzakian, and Mayor Mounce

Absent: Council Members – None

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Johl

C-2 ANNOUNCEMENT OF CLOSED SESSION

- a) Threatened Litigation: Government Code §54956.9(b); One Case; Potential Cross-Claim by Lima Dairy Against City of Lodi Based on Alleged Nitrate Contamination at White Slough; Coldani v. Lima Dairy, US District Court, ED Cal Case No. 2:07-CV-00660-RRB-EFB
- b) Conference with Dean Gualco, Human Resources Manager, and Jim Krueger, Deputy City Manager (Acting Labor Negotiators), Regarding Association of Lodi City Employees Regarding General Services Pursuant to Government Code §54957.6
- c) Prospective Sale of Real Property Located at 500 S. Guild Avenue, Lodi, CA (APN 049-250-61); the Negotiating Parties are City of Lodi and GG Land Group LLC.; Government Code §54956.8

C-3 ADJOURN TO CLOSED SESSION

At 5:45 p.m., Mayor Mounce adjourned the meeting to a Closed Session to discuss the above matters.

The Closed Session adjourned at 6:57 p.m.

C-4 RETURN TO OPEN SESSION / DISCLOSURE OF ACTION

At 7:02 p.m., Mayor Mounce reconvened the City Council meeting, and City Attorney Schwabauer disclosed the following actions.

Item C-2 (a) was discussion only, and Item C-2 (b) was not discussed.

In regard to Item C-2 (c), settlement direction was given to present a counteroffer.

A. CALL TO ORDER / ROLL CALL

The Regular City Council meeting of March 5, 2008, was called to order by Mayor Mounce at 7:02 p.m.

Present: Council Members – Hansen, Hitchcock, Johnson, Katzakian, and Mayor Mounce

Absent: Council Members – None

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Johl

B. INVOCATION

The invocation was given by Pastor Kevin Suess, Vinewood Community Church.

C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Mounce.

D. AWARDS / PROCLAMATIONS / PRESENTATIONS

D-1 Awards – None

D-2 (a) Mayor Mounce presented a proclamation to George Bradley and Steve Dutra proclaiming Friday, April 4, 2008, as “Arbor Day” in the City of Lodi.

D-3 (a) Mayor Mounce presented the San Joaquin Council of Governments’ Regional Excellence Award to representatives of the Cellar Door wineries.

E. CONSENT CALENDAR

In accordance with the report and recommendation of the City Manager, Council, on motion of Mayor Pro Tempore Hansen, Katzakian second, unanimously approved the following items hereinafter set forth **except those otherwise noted**:

- E-1 Claims were approved in the amount of \$11,989,577.86.
- E-2 The minutes of February 19, 2008 (Shirtsleeve Session), February 20, 2008 (Regular Meeting), and February 26, 2008 (Shirtsleeve Session) were approved as written.
- E-3 "Approve Scope of Work for Transit Operations Contract and Authorize Advertisement for Request for Proposals (GrapeLine, VineLine, and Dial-A-Ride)" was **removed from the Consent Calendar and discussed and acted upon following approval of the Consent Calendar**.
- E-4 Approved the specifications and authorized advertisement for bids for 25,000 feet of #4/0 AWG, 15kV, EPR insulated, jacketed concentric neutral underground cable.
- E-5 Approved the specifications and authorized advertisement for bids for maintenance of the Lodi Consolidated Landscape Assessment District 2003-1, fiscal year 2008-09.
- E-6 Adopted Resolution No. 2008-31 authorizing the sole source procurement of remote terminal units and accessories from Geo Honn Company, Inc., of Vacaville, CA, for Henning and Industrial Substations in an amount not to exceed \$60,000.
- E-7 "Adopt Resolution Awarding the Professional Services Contract to Auriga Corporation, of Milpitas, California, to Perform Siting Work for the West 60kV Transmission Project and Appropriate Funds (Not to Exceed \$34,000)" was **removed from the Consent Calendar and discussed and acted upon following approval of the Consent Calendar**.
- E-8 Adopted Resolution No. 2008-32 approving a one-year extension of the tree trimming 2007 contract with West Coast Arborists, Inc., of Stockton, in the amount of \$53,000.
- E-9 Adopted Resolution No. 2008-33 approving professional services agreement with Rolfes Engineering, Inc., of Stockton, for engineering design services and construction administration for Library heating, ventilation, and air conditioning in the amount of \$42,640 and authorizing the City Manager and City Clerk to execute the agreement.
- E-10 Adopted Resolution No. 2008-34 authorizing the City Manager to execute reimbursement agreement with North San Joaquin Water Conservation District for City administrative services provided to the District.
- E-11 "Authorize City Manager to Execute Agreement with InfoSend, Inc., of Fullerton, CA, for Online Payment Services (Est. \$35,000/Year)" was **removed from the Consent Calendar and discussed and acted upon following approval of the Consent Calendar**.
- E-12 Accepted the memorial bench, tree, and plaque donation from friends of Jeannie Matsumoto in honor of her daughter, Suzanne Matsumoto.

ACTION ON ITEMS REMOVED FROM THE CONSENT CALENDAR

- E-3 "Approve Scope of Work for Transit Operations Contract and Authorize Advertisement for Request for Proposals (GrapeLine, VineLine, and Dial-A-Ride)"

This item was pulled by Council Member Hitchcock for further discussion.

In response to Council Member Hitchcock, Public Works Director Richard Prima stated that, with respect to the 30-day time period, the proposal and evaluation process takes some time, they would like to stay on schedule, and the 30-day period was previously sufficient; although, 45 days would be fine also.

MOTION / VOTE:

The City Council, on motion of Council Member Hitchcock, Hansen second, unanimously approved the scope of work for transit operations contract and authorized advertisement for request for proposals (GrapeLine, VineLine, and Dial-A-Ride), with a 45-day response time rather than 30 days.

- E-7 “Adopt Resolution Awarding the Professional Services Contract to Auriga Corporation, of Milpitas, California, to Perform Siting Work for the West 60kV Transmission Project and Appropriate Funds (Not to Exceed \$34,000)”

This item was pulled by Council Member Johnson for further discussion.

Electric Utility Director George Morrow provided an overview of the previous presentation regarding the transmission project and specifically discussed the current electric utility supply, the need for a second source of electricity coming in from the west, preferred alternatives, and a meeting with the stakeholders.

Council Member Johnson stated he does not support Alternative 7 as the preferred route because there may be other routes that affect fewer residents.

In response to Mayor Mounce, Mr. King stated the matter could be tabled; although, he believed it was too early to determine a preferred route. He stated there was a need for some flexibility in the proposals to be brought back for Council consideration with respect to negotiating right of ways.

In response to Council Member Hitchcock, Mr. King clarified that the action before the Council at the present time is all inclusive and does not specifically select a route; although, the consultant did identify No. 7 as a preferred alternative because it is economically feasible.

A brief discussion ensued between Mayor Pro Tempore Hansen and Council Member Johnson regarding the value of moving forward on the item versus tabling the matter, the economics of all viable options and alternatives, and specific factors such as discussions with property owners and the flow of energy.

In response to Council Member Hitchcock, Mr. Morrow stated the most economical alternative for the City is generally based on the consultant's early conceptual designs and the ability to get from Point A to Point B in the most effective and efficient way.

In response to Council Member Johnson and Mayor Pro Tempore Hansen, Mr. Morrow stated staff and the consultant can look at a variety of alternatives, including the one suggested to him by Council Member Johnson. He also stated staff will provide the supplemental information regarding the alternatives to the Council as requested.

MOTION / VOTE:

The City Council, on motion of Council Member Hitchcock, Johnson second, unanimously adopted Resolution No. 2008-35 awarding the professional services contract to Auriga Corporation, of Milpitas, California, to perform siting work for the West 60kV Transmission Project and appropriating funds in an amount not to exceed \$34,000.

- E-11 "Authorize City Manager to Execute Agreement with InfoSend, Inc., of Fullerton, CA, for Online Payment Services (Est. \$35,000/Year)"

This item was pulled by Council Member Hitchcock for further discussion.

City Manager King provided a brief overview of the item, stating that, while the recommended action does not provide the actual ability to make online payments at the current time, it does provide the City with assurance that it will be held harmless and indemnified in the event of patent-related litigation arising from online payment services, which was a concern of the City Attorney's office.

In response to Council Member Hitchcock, Information Services Manager Steve Mann stated the ability to make online payments will likely be available in the next few months after the initial set up work is completed and a contract is executed.

Ann Cerney stated she would like additional information regarding the litigation possibilities from the patent use. Mr. Schwabauer stated Infosend, Inc. is a reputable company based out of Fullerton, California, and has as its client base several municipalities. He stated the trial courts are slowly starting to come down on the side of municipalities in several cases, reasoning that the patent does not apply to municipalities.

MOTION / VOTE:

The City Council, on motion of Council Member Hitchcock, Hansen second, unanimously authorized the City Manager to execute agreement with InfoSend, Inc., of Fullerton, CA, for online payment services in the estimated amount of \$35,000 per year.

F. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

- Stephen Qualls of the League of California Cities introduced himself as the new Central Valley Regional Representative. Mr. Qualls provided a brief legislative update and status of the Governor's recommendations. In response to Council Member Hansen, Mr. Qualls stated Proposition 172 funding may be in jeopardy based on the information provided by the Legislative Analyst's office. Mr. King stated Proposition 172 was a State proposition from early 1990s and recommendation is to give up some parolee monitoring on the lower levels to the County and the City would lose some funds as a result.

G. COMMENTS BY CITY COUNCIL MEMBERS ON NON-AGENDA ITEMS

- Mayor Pro Tempore Hansen reported on his attendance at the American Public Power Association conference in Washington D.C. He specifically discussed passing costs related to the security of dams to local electric regulators and encouraging the passage of legislation to control local costs on electric power for citizens. Mr. Hansen also commended those involved with the Salvation Army annual dinner and the display of the AIDS exhibit by First Baptist Church.
- Mayor Mounce stated that, in response to a letter to the editor, she would like to clarify that she supports bringing in good businesses to the City to help its economic condition.

H. COMMENTS BY THE CITY MANAGER ON NON-AGENDA ITEMS

None.

I. PUBLIC HEARINGS

- I-1 Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Mounce called for the public hearing to consider and approve community input and proposals for uses of the City's 2008-09 Federal allocation of Community Development Block Grant and HOME Program funds and the reallocation of available funds from previous program years.

City Manager King briefly introduced the subject matter of the City's 2008-09 Federal allocation of Community Development Block Grant (CDBG) and HOME Program funds and the reallocation of available funds from previous program years.

Community Improvement Manager Joseph Wood provided a PowerPoint presentation regarding the proposed CDBG and HOME program allocations. Specific topics of discussion included program overview, eligibility, local funding policies, proposed allocations, community-based organization applications, application review process, capital project summary, service request summary, project funding recommendations, requests not recommended for funding, City project funding recommendations, and HOME allocations.

In response to Council Member Hitchcock, Mr. King stated the Council can call for new projects for the \$147,000 unallocated amount or can allocate that amount to City projects. He confirmed that staff may be able to start on the alley drainage improvement project identified to cost \$225,000, which was moved to next year, with the \$147,000.

Mayor Pro Tempore Hansen suggested leaving the \$147,000 available for the Family Resource Center, as it explores its options to build a new site or occupy an existing building.

In response to Council Member Johnson, Mr. Wood stated \$100,000 was previously allocated to the Family Resource Center for design services, but that amount has not been encumbered due to the change from building a center to occupying an existing store front.

In response to Council Member Johnson, Mr. Wood stated the Family Resource Center could be given a total allocation of \$247,000, but additional clarification would be needed to determine where the funding would go and how it would be used. Mayor Pro Tempore Hansen stated that, while he believes the City has a reasonable obligation to assist and he would like to see the \$100,000 allocated to the Family Resource Center, he is also not sure if the \$100,000 should remain outstanding if there is another worthy project pending.

Mayor Mounce commended staff for addressing the property located at 17 East Elm Street.

Mr. Wood stated he would like to clarify that the total allocation amount was \$342,000 instead of \$253,000 as originally listed.

Hearing Opened to the Public

- Francisco Trujillo, representing the Family Resource Center, provided an overview of how the Center got started, its purpose, the expansion project into a new building or existing building, and fundraising hardships and the requirement for matching funds. Based on these factors, Mr. Trujillo requested continued CDBG funding.
- Juan Villareal, representing the Library Board of Trustees, requested the unallocated \$147,000 be provided to the Library for necessary Americans with Disabilities Act (ADA) improvements.
- Dan Williams, representing the Salvation Army, in response to Mayor Mounce, stated the County is also providing funding for the organizations' projects.

Public Portion of Hearing Closed

Council Member Hitchcock commended Community Improvement Manager Wood on his efforts with the CDBG program and requested a copy of the PowerPoint presentation be provided to the City Council.

Council Member Hitchcock suggested the \$147,000 unallocated amount be voted on by the Council separately from the remainder of the recommended action.

MOTION #1:

A motion by Council Member Hitchcock to allocate the \$147,000 toward the Library ADA improvements **died** for a lack of a second.

Discussion ensued between Mayor Pro Tempore Hansen, Council Member Johnson, and Mr. Wood regarding the Center's ability to obtain additional funding without the \$147,000 allocation to get into a store front property instead of building a new center, the alternative to keep the funds unallocated and review the status of the Center at a later date, the new Center in Stockton, and the Cal-Foundation as a funding source.

In response to Council Member Hitchcock, Mr. Wood stated the new Center in the city of Stockton was built by the City with redevelopment funds.

Mayor Pro Tempore Hansen suggested the Council consider allocation of the \$147,000 in six months in order to provide the Family Resource Center time to explore its options with occupying an existing store front property.

MOTION #2 / VOTE:

The City Council, on motion of Council Member Hitchcock, Johnson second, unanimously adopted Resolution No. 2008-36 approving the projected use of funds for the 2008-09 Federal allocation of Community Development Block Grant and HOME Program funds and reallocating available funds from previous program years, with the exception of the \$147,000 non-allocated amount.

MOTION #3 / VOTE:

The City Council, on motion of Mayor Pro Tempore Hansen, Hitchcock second, unanimously determined that Council would revisit the \$147,000 in non-allocated funds in six months to consider the allocation.

RECESS

At 9:00 p.m., Mayor Mounce called for a recess, and the City Council meeting reconvened at 9:09 p.m.

I. PUBLIC HEARINGS (Continued)

- I-2 Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Mounce called for the public hearing to consider adopting the Federal Fiscal Year 2008 Program of Transit Projects.

City Manager King briefly introduced the subject matter of the Federal Fiscal Year 2008 Program of Transit Projects.

Public Works Director Richard Prima provided a brief overview of the funding source and process involved with obtaining the federal funding for transit projects in the City.

In response to Mayor Pro Tempore Hansen, Mr. Prima stated the federal formula allocates the City's portion of funding for ongoing operations and it does take additional funds to run the entire operation.

Hearing Opened to the Public

None.

Public Portion of Hearing Closed

MOTION / VOTE:

The City Council, on motion of Council Member Hitchcock, Hansen second, unanimously adopted Resolution No. 2008-37 approving the Federal Fiscal Year 2008 Program of Transit Projects.

J. COMMUNICATIONS

J-1 Claims Filed Against the City of Lodi – None

J-2 The following postings/appointments were made:

- a) The City Council, on motion of Mayor Pro Tempore Hansen, Johnson second, unanimously made the following appointments:

Lodi Arts Commission

Thorstien W. Himle II Term to expire July 1, 2011

Karen Mattei Term to expire July 1, 2011

J-3 Miscellaneous – None

K. REGULAR CALENDAR

K-1 “Presentation of Proposed Art in Public Places Art Piece on the Northwest Corner of Lodi Avenue and Washington Street by Artist Jerrod Mays”

City Manager King briefly introduced the subject matter.

Planning Manager Peter Pirnejad provided a brief overview of the process associated with introducing the proposed art piece to the various bodies. Artist Jerrod Mays reviewed the various drawings of the actual art piece submitted in the staff report.

In response to Mayor Pro Tempore Hansen, Mr. Mays stated that the maximum cost was \$100,000 and he was able to cut it down to \$80,000.

In response to Mayor Pro Tempore Hansen, Mr. Pirnejad stated all the proposals came in at \$100,000 or less and Mr. Mays was the least expensive of the proposals.

In response to Council Member Johnson, Mr. Mays stated the proposal was very specific as to the requirement of little or no maintenance for the art piece itself.

In response to Council Member Johnson, Mr. Pirnejad stated some of the other proposals included a statue related to Mickie Grove and a mural with bench seating. He stated the proposed piece stays within the guidelines of E-Map by enhancing the pedestrian experience for those walking or driving by while providing seating for rest purposes. Mr. Pirnejad confirmed there are no bus stops on the block.

In response to Council Member Hitchcock, Mr. Mays provided an overview of the actual piece including design features, weather resistance, materials, and rust considerations.

In response to Mayor Mounce, Mr. Pirnejad stated staff will review the possibility of removing the nearby bus shelter since it is not being used as a bus stop.

Mayor Pro Tempore Hansen stated he wanted to clarify that the funding for the art piece is coming from developers for the art in public places piece, there will be a need to review contingencies with the Arts Commission before it comes back to the City Council, and removal of the bus stop if it doesn't serve a purpose may be appropriate.

Discussion ensued between Council Member Hitchcock, Mayor Pro Tempore Hansen, and Mayor Mounce regarding ensuring that the proposed art piece does not serve as a bus stop and an actual bus stop is placed in the vicinity as needed. Mr. Prima stated staff will explore the options for bus shelters in the area.

Dave Hedrick spoke in opposition to the proposed art piece based on his concerns regarding the cost of the proposed art piece, the possibilities of theft and vandalism, and homelessness. Mr. Pirnejad and Mr. Mays stated the piece will be riveted to protect against vandalism; although, there is nothing that can prevent vandalism in its entirety.

Ann Cerney spoke in favor of the proposed art piece, stating it will be a good addition to the area.

City Manager King stated the item will be brought back to the City Council for formal action at an upcoming Council meeting.

MOTION/ VOTE:

There was no Council action taken on this matter.

K-2 "Receive Progress Report on the City of Lodi General Plan Update"

City Manager King briefly introduced the subject matter of the progress report on the General Plan update.

Consultant Rad Bartlam provided a status report of the City's General Plan update. He specifically discussed the joint December meeting, development of the three alternatives, ongoing efforts by staff and consultants, completion of the alternatives in approximately two weeks, technical review and fiscal viability of the alternatives, likelihood of success for economic development, residential targets for quantity and quality, the lack of a specific recommended approach in order to stimulate discussion on all alternatives, further consideration by the Planning Commission and City Council around June, budget considerations, and engaging the public, service clubs, community organizations, and property owners.

Mayor Pro Tempore Hansen commended Rad Bartlam for his efforts on the General Plan update.

Council Member Hitchcock stated she appreciated the status report and public outreach through community newsletters, summaries, utility billing insertions, and other visual materials. Mr. King stated community events, such as those put on by the City of Hillsborough, may be a good opportunity to get the word out as well.

MOTION / VOTE:

There was no Council action taken on this matter.

K-3 "Adopt Revised Fleet Policy"

City Manager King briefly introduced the subject matter of the proposed fleet policy.

Public Works Director Richard Prima provided a PowerPoint presentation regarding the proposed fleet vehicle policy. Specific topics of discussion included background, policy objectives, safety, utilization, administration, policy guidelines, replacement and utilization guidelines, notes, service life, replacement funding, policy implications, fleet age, theoretical replacement costs, potential lease rates, and a summary and recommendation regarding the same.

In response to Council Member Hitchcock, Mr. Prima stated the blue line on the chart represents all City vehicles, including transit and electric utility, while the pink line represents general fund vehicles including Police, Fire, City Hall, Finance, and Parks and Recreation. Mr. King briefly discussed the actual workings of a fleet replacement policy, departmental lease payments, costs of service to departments, and allocations of the same.

Discussion ensued between Council Member Hitchcock, Mr. Prima, and Mr. King regarding the red line representing a flat contribution for general fund vehicles, similar approach for other vehicles except transit which receives outside funding, charges to the enterprise account for vehicles, and the goal of absorbing costs over an extended period of time rather than having to absorb large one-time costs.

In response to Council Member Hitchcock, Mr. King confirmed that the goal is to set aside a reasonable amount for the vehicles that have to be replaced.

In response to Mayor Pro Tempore Hansen, Mr. Prima stated he did not believe anyone was receiving a vehicle allowance. Mr. King confirmed that the intent of the policy is not to allow for vehicle allowances and staff will come back to Council if that is the direction.

In response to Mayor Pro Tempore Hansen, Mr. Prima stated Table One is the old policy and Table A is the newly proposed policy and the primary difference is the actual concept.

In response to Mayor Pro Tempore Hansen, Mr. Prima stated the yellow zone is intended to look at the vehicles and assess whether they should be kept, repaired, and/or replaced for longest use possible.

Discussion ensued between Council Member Hitchcock, Mr. Prima, and Mr. King regarding what vehicles are taken home, the approval process for take home vehicles, on-call vehicles, justifications for taking vehicles home, and removing the take home vehicle piece from the proposed policy.

In response to Council Member Johnson, Mr. Prima and Mr. Callahan stated there are 24 to 25 total police vehicles active on patrol.

In response to Council Member Johnson, Mr. Prima stated maintenance efforts for vehicles have improved because there is better staffing levels. He stated he is comfortable that the individuals making the assessments on vehicles are doing a good job so long as there is staff to do what needs to be done and the funding to do it.

Discussion ensued between Mayor Pro Tempore Hansen, Mr. Prima, and Mr. King regarding consideration of a take home vehicle policy, speaking with individuals affected by the same, school resource vehicles, unmarked police vehicles, and bringing back a policy regarding the same for Council consideration.

MOTION / VOTE:

The City Council, on motion of Council Member Hitchcock, Mounce second, unanimously adopted the revised Fleet Policy as recommended, with the exception of the policy guidelines relating to take home vehicles and vehicle allowance, which are to be brought back separately for Council consideration in the future.

- K-4 "Adopt Resolution Amending Memorandum of Understanding Between the City of Lodi and the Lodi City Mid-Management Association for the Period of January 1, 2008 through December 31, 2009"

City Manager King provided a brief introduction of the subject matter.

Human Resources Manager Dean Gualco provided a brief overview of the proposed terms of the Memorandum of Understanding.

In response to Council Member Hitchcock, Mr. Gualco confirmed these are the same positions that were previously discussed.

MOTION / VOTE:

The City Council, on motion of Mayor Pro Tempore Hansen, Mounce second, unanimously adopted Resolution No. 2008-38 amending the Memorandum of Understanding between the City of Lodi and the Lodi City Mid-Management Association for the period of January 1, 2008 through December 31, 2009.

K-5 "Adopt Resolution Approving Compensation Adjustment for Unrepresented Mid-Managers"

In response to Mayor Mounce, Mr. King stated the Human Resources Manager would be eligible for an adjustment.

MOTION / VOTE:

The City Council, on motion of Mayor Pro Tempore Hansen, Hitchcock second, unanimously adopted Resolution No. 2008-39 approving compensation adjustment for unrepresented mid-managers.

K-6 "Adopt Resolution Approving City's Internet Website Policy"

Communications Specialist Jeff Hood provided a PowerPoint presentation regarding the proposed website policy. Specific topics of discussion included what the website policy is, samples of links to be prohibited, .gov domain names, federal General Services Administration rules, proposed link policy, possible revenue source, and future of website.

Mayor Mounce commended Mr. Hood for clarifying that the domain url affected the revenue generation ability of the City's website.

Discussion ensued between Council Member Johnson, Mr. King, and Mr. Hood regarding organizations that do not receive funding from the City such as the Chamber of Commerce, acting agents in promotions such as the Visitor's Bureau, and the need for a clear and simple policy that provides some guidance without allowing all links to allow for easy page navigation.

Mayor Mounce and Council Member Hitchcock indicated they did not wish to see cluttering of the website.

In response to Mayor Pro Tempore Hansen, Mr. Hood stated providing relevant information instead of an actual link may be a possibility.

In response to Council Member Katzakian, Mr. Hood stated an index to various website addresses could be provided without the actual links.

MOTION / VOTE:

The City Council, on motion of Council Member Hitchcock, Hansen second, unanimously adopted Resolution No. 2008-40 approving the City's Internet Website Policy.

VOTE TO CONTINUE WITH THE REMAINDER OF THE MEETING

The City Council, on motion of Council Member Johnson, Hansen second, unanimously voted to continue with the remainder of the meeting following the 11:00 p.m. hour.

K. REGULAR CALENDAR (Continued)

- K-7 "City Council Participation in Review of Applicants for Police Chief and Public Works Director"

City Manager King requested the City Council appoint two members to work with him on the Police Chief recruitment and one member for the Public Works Director recruitment.

Council Member Hitchcock expressed her interest in participating in the Community Development Director recruitment in the future.

MOTION / VOTE:

The City Council selected Mayor JoAnne Mounce and Mayor Pro Tempore Larry Hansen to participate in the review of applicants for Police Chief and further selected Council Member Johnson to participate in the review of applicants for Public Works Director.

- K-8 "Approve Expenses Incurred by Outside Counsel/Consultants Relative to the Environmental Abatement Program Litigation (\$183,932.95)"

MOTION / VOTE:

The City Council, on motion of Mayor Mounce, Hitchcock second, unanimously approved the expenses incurred by outside counsel/consultants relative to the Environmental Abatement Program litigation in the amount of \$183,632.95, as revised and detailed below:

Folger Levin & Kahn - Invoices Distribution

Matter No.	Invoice No.	Date	Description	Water Acct. Amount
8003	106887	01/31/08	Hartford v. City of Lodi	\$ 460.41
			Less deduction by City Attorney	(300.00)
8008	106888	01/31/08	City of Lodi v. Envision	\$169,525.29
	133276	12/31/07	Hemming Morse, Inc.	\$ 4,888.75
	133465	01/31/08	Hemming Morse, Inc.	\$ 9,058.50
Total				\$183,632.95

L. ORDINANCES

None.

M. ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 11:11 p.m.

ATTEST:

Randi Johl
City Clerk

**LODI CITY COUNCIL
REGULAR CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, MARCH 19, 2008**

C-1 CALL TO ORDER / ROLL CALL

The City Council Closed Session meeting of March 19, 2008, was called to order by Mayor Mounce at 5:15 p.m.

Present: Council Members – Hansen, Hitchcock, Johnson, Katzakian [except C-2 (b)], and
Mayor Mounce

Absent: Council Members – None

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Johl

C-2 ANNOUNCEMENT OF CLOSED SESSION

- a) Actual Litigation: Government Code §54956.9(a); One Case; Guptil v. City of Lodi, et al., and Related Cross-Complaint, Darlene Heil v. City of Lodi, San Joaquin County Superior Court, Case No. CV029725
- b) Actual Litigation: Government Code §54956.9(a); One Case; City of Lodi v. Michael C. Donovan, an individual; Envision Law Group, LLP, et al., San Francisco Superior Court, Case No. CGC-05-441976
- c) Prospective Sale of Real Property Located at 500 S. Guild Avenue, Lodi, CA (APN 049-250-61); the Negotiating Parties are City of Lodi and GG Land Group LLC.; Government Code §54956.8
- d) Conference with Dean Gualco, Human Resources Manager, and Jim Krueger, Deputy City Manager (Acting Labor Negotiators), Regarding Lodi City Mid-Management Association Pursuant to Government Code §54957.6
- e) Actual Litigation: Government Code §54956.9(a); One Case; City of Lodi, et al. v. EBMUD, State Water Resources Control Board, Application No. 13156

C-3 ADJOURN TO CLOSED SESSION

At 5:15 p.m., Mayor Mounce adjourned the meeting to a Closed Session to discuss the above matters.

The Closed Session adjourned at 6:25 p.m.

C-4 RETURN TO OPEN SESSION / DISCLOSURE OF ACTION

At 7:01 p.m., Mayor Mounce reconvened the City Council meeting, and City Attorney Schwabauer disclosed the following actions.

In regard to Item C-2 (a), settlement was unanimously approved for \$7,500, one half of a \$15,000 collective settlement, for a trip and fall occurrence.

In regard to Item C-2 (b), discussion was had and direction was given.

In regard to Item C-2 (c), negotiating direction was given for the sale of the land. A contract will be brought back for Council consideration at the next regularly scheduled Council meeting.

In regard to Items C-2 (d) and C-2 (e), discussion was had and direction was given.

A. CALL TO ORDER / ROLL CALL

The Regular City Council meeting of March 19, 2008, was called to order by Mayor Mounce at 7:01 p.m.

Present: Council Members – Hansen, Hitchcock, Johnson, Katzakian, and Mayor Mounce

Absent: Council Members – None

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Johl

B. INVOCATION

The invocation was given by Barbara Taylor, Lodi Police Chaplain.

C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Mounce.

D. AWARDS / PROCLAMATIONS / PRESENTATIONS

D-1 (a) Following introductory comments by Community Improvement Manager Joseph Wood, Mayor Mounce presented the Community Improvement Award to Crystal Kirst, developer of the properties at 501 Maple, 503 Maple, and 740 S. Garfield, for her accomplishment in improving that neighborhood.

D-2 (a) Following introductory comments by Community Improvement Manager Joseph Wood, Mayor Mounce presented a proclamation to Jennelle Bechtold with Waste Management proclaiming the month of April 2008 as "Keep Lodi Beautiful Month" in the City of Lodi. In addition, Ms. Bechtold presented the Mayor with a Great American Cleanup Showcase Award on behalf of Keep California Beautiful, Inc. and Waste Management in the amount of \$5,000 in recognition of the City's clean up activities.

D-3 (a) Mayor Mounce accepted a ceremonial check in the amount of \$264,000 from Congressman McNerney for community projects.

D-3 (b) Following introductory comments by Interim Parks and Recreation Director Steve Dutra, Mayor Mounce presented the Outstanding Parks and Recreation Special Honorary Award from California Association of Commissioners and Board Members to Kathy Grant.

E. CONSENT CALENDAR

In accordance with the report and recommendation of the City Manager, Council, on motion of Council Member Johnson, Hitchcock second, unanimously approved the following items hereinafter set forth:

E-1 Claims were approved in the amount of \$6,360,425.15.

E-2 The minutes of March 4, 2008 (Shirtsleeve Session), March 11, 2008 (Shirtsleeve Session), and March 11, 2008 (Special Meeting) were approved as written.

E-3 Approved the plans and specifications and authorized advertisement for bids for site improvements at Lodi Lake Park, 1101 West Turner Road.

E-4 Approved the specifications and authorized advertisement for bids to procure polemount and padmount transformers for the Electric Utility Department.

E-5 Approved the specifications and authorized advertisement for bids for a 55' material handling bucket truck (replacement) and appropriated funds in the amount of \$190,000.

E-6 Approved the specifications and authorized advertisement for bids for curb, gutter, and sidewalk replacement annual contract for fiscal year 2008-09.

E-7 Adopted Resolution No. 2008-42 approving the Fee Payment Agreement for 1343 East Kettleman Lane (Tuscany Comfort Suites) and authorizing the City Manager to execute the agreement on behalf of the City.

- E-8 Adopted Resolution No. 2008-43 approving the Improvement Agreement for Public Improvements of 1337 East Kettleman Lane (APN 049-250-87) (Plummer) and authorizing the City Manager to execute the agreement on behalf of the City.
 - E-9 Authorized the City Manager to renew revised Memorandum of Understanding with People Assisting the Lodi Shelter and to retain the temporary building moved to the Lodi Animal Shelter.
 - E-10 Adopted Resolution No. 2008-44 authorizing destruction of certain Citywide records in accordance with the Government Code and the City's Records Management Policy.
-

F. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

- Dave Hinchman spoke in opposition to redevelopment based on concerns regarding debt obligations, the lack of an official endorsement by the Lodi Unified School District, the need for additional public outreach meetings, Planning Commission and Budget Committee involvement, and the lack of City Council meetings on the subject matter.
- Cynthia Neely spoke in opposition to the Iraq War and requested that the City Council support a resolution opposing the same based on concerns regarding the loss of life and economic costs. Ms. Neely also submitted several speaker cards in favor of her position of individuals who were in support of the resolution, but chose not to speak.
- Ann Cerney spoke in opposition to the Iraq War and read the resolution opposing the same.
- Eileen St. Yves spoke in favor of and encouraged citizen participation in the U.S. Census dress rehearsal for San Joaquin County.
- Wayne Knauf spoke in opposition to redevelopment based on concerns regarding the size of the project area.

G. COMMENTS BY CITY COUNCIL MEMBERS ON NON-AGENDA ITEMS

- Council Member Johnson requested that staff compile a list of meetings, newsletters, and/or articles where redevelopment was discussed.
- Mayor Pro Tempore Hansen requested that the City Council meeting be adjourned in memory of Jim Areida. He also reported on his attendance at the San Joaquin Council of Governments executive meeting and specifically discussed Proposition 1B funding, funding recommendation for vehicles, funding requests for the Lodi Unified School District, traffic corridor funding for the Stockton Port for approximately \$17.5 million, Measure K funds making up the difference at \$35 million, and the possible affect on other projects as a result.
- Mayor Mounce stated she received some citizen concerns regarding mistletoe in trees, thanked staff for addressing concerns regarding the Animal Shelter at the Shirtsleeve Session, and expressed concerns regarding redevelopment meeting attendance and public outreach.

H. COMMENTS BY THE CITY MANAGER ON NON-AGENDA ITEMS

- City Manager King stated redevelopment does not have a bond issuance obligation and the Council to date has not considered a related bond issuance. Mr. King also stated that a majority of municipalities do have redevelopment agencies, the school district has not officially endorsed redevelopment although there have been preliminary discussion regarding the same, and public meetings are an ongoing effort with a willingness to do the best job possible in reaching as many people as possible.

I. PUBLIC HEARINGS

- I-1 Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Mounce called for the public hearing to consider resolution approving new rates for solid waste collection.

City Manager King briefly introduced the subject matter of new rates for solid waste collection.

Public Works Director Prima provided an overview of the existing franchise agreement, proposed rate adjustment based on Consumer Price Index and increases in land fill and fuel costs, the proposed 3.5% increase, and the need for the increase to help maintain current service levels.

Hearing Opened to the Public

None.

Public Portion of Hearing Closed

Mayor Mounce, Mayor Pro Tempore Hansen, and Council Member Hitchcock stated they were all in favor of the reasonable smaller increases over time in lieu of a larger one-time increase.

MOTION / VOTE:

The City Council, on motion of Council Member Hitchcock, Hansen second, unanimously adopted Resolution No. 2008-45 approving new rates for solid waste collection.

J. COMMUNICATIONS

- J-1 Claims Filed Against the City of Lodi – None

- J-2 The following postings/appointments were made:

- a) The City Council discussed and provided direction regarding the recommended appointments to the Greater Lodi Area Youth Commission (Adult Advisor), Lodi Budget/Finance Committee, Lodi Improvement Committee, and Senior Citizens Commission as shown below.

MOTION #1 / VOTE:

The City Council, on motion of Council Member Johnson, Hansen second, unanimously made the following appointment:

Greater Lodi Area Youth Commission

Adult Advisor:

Richard Jones, LUSD rep. Term to expire May 31, 2011

In regard to the Lodi Budget/Finance Committee, Council Member Johnson expressed concerns regarding the qualifications of the applicant, the lack of applications received for the position, the experience of non-selected applicants, and the need to repost for the vacancy.

Mayor Mounce expressed support for the applicant, stating it takes a wide variety of people from different backgrounds to contribute to the Committee.

Council Member Hitchcock concurred with the concerns expressed by Mr. Johnson regarding qualifications; however, she stated she would support the nomination because no other applications were received.

Mayor Pro Tempore Hansen thanked Frank Alegre for his service on the Committee, stated he will not support the appointment, and requested the position be re-posted.

John Johnson stated he is neither supporting nor opposing the appointment of the applicant to the Committee. He stated the Committee does not delve into numbers to the extent where an applicant needs to be experienced in budget and finance matters. He stated the Committee previously made general recommendations, which do not include specific numbers.

MOTION #2 / VOTE:

Mayor Mounce made a motion, Hitchcock second, to appoint Jane Lea to the Lodi Budget/Finance Committee. The motion **failed** by the following vote:

Ayes: Council Members – Hitchcock and Mayor Mounce

Noes: Council Members – Hansen, Johnson, and Katzakian

Absent: Council Members – None

The City Council further provided direction to re-post for the one vacancy on the Lodi Budget/Finance Committee, which term is due to expire June 30, 2009.

MOTION #3 / VOTE:

The City Council, on motion of Council Member Hitchcock, Johnson second, unanimously made the following appointments:

Lodi Improvement Committee

Reyes Jaramillo Term to expire March 1, 2011

Rosie Ortiz Term to expire March 1, 2011

Virginia Snyder Term to expire March 1, 2011

MOTION #4 / VOTE:

The City Council, on motion of Council Member Hitchcock, Johnson second, unanimously made the following appointment:

Senior Citizens Commission

Suzanne Schultz Term to expire December 31, 2012

J-3 Miscellaneous – None

K. REGULAR CALENDAR

K-1 “Direct the City Manager to Prepare and Send Letter to the San Joaquin Council of Governments on the Draft Methodology for the Regional Housing Needs Allocation Process”

City Manager King and Community Development Director Randy Hatch provided a brief introduction of the subject matter of the Regional Housing Needs Allocation (RHNA).

Community Improvement Manager Joseph Wood provided a PowerPoint presentation regarding the RHNA process. Specific topics of discussion included follow-up to the Shirtsleeve Session, purpose and process, statutory objectives, RHNA Development Committee, controversial nature of process, mandated schedule, County RHNA, draft methodology, miscellaneous RHNA factors, incentives for housing element compliance, preliminary numbers from draft methodology, next steps in process, responses, and final comments to recommendations.

In response to Council Member Hitchcock, San Joaquin Council of Governments (SJCOG) Senior Regional Planner Mike Swearingen stated that, in light of the comments received by the City previously, they were able to move in a positive direction by creating a method to individualize jobs and population ratios. Mr. Swearingen then reviewed the revised numbers set forth in the methodology chart. Mr. King stated the numbers are yet to be approved by the SJCOG Board, it is better to weight numbers towards population and housing for better compliance with RHNA numbers, considerations must also be given for State funding and land application to the General Plan, and staff is recommending that these general comments be provided to staff at SJCOG.

In response to Mayor Pro Tempore Hansen, Mr. Swearingen stated the new numbers will be presented to the Steering Committee and the new data is more accurate than the previous numbers because the information is from 2006 rather than 1999.

In response to Council Member Hitchcock, Mr. Hatch stated the numbers are somewhat unreasonable because even if the City made all of its future development based on the 2% growth affordable, it would still not be sufficient to comply with the RHNA numbers, a situation which is common to other communities as well. He also stated the very low numbers are 50% of the area median of \$60,000, as translated to rental and purchase prices.

MOTION / VOTE:

The City Council, on motion of Council Member Johnson, Katzakian second, unanimously directed the City Manager to prepare and send a letter to the San Joaquin Council of Governments on the draft methodology for the RHNA process.

RECESS

At 8:55 p.m., Mayor Mounce called for a recess, and the City Council meeting reconvened at 9:08 p.m.

K. REGULAR CALENDAR (Continued)

K-2 "Adopt Resolution Requesting San Joaquin County Board of Supervisors Establish a Five Mile Per Hour Speed Limit on the Mokelumne River from the Woodbridge Dam to Guild Avenue"

City Manager King provided a brief overview of the history and current status of Pig's Lake, related erosion, and the proposed speed limit restrictions as set forth in the staff report.

Mayor Pro Tempore Hansen suggested staff look into partnering efforts with the Army Corps of Engineers with respect to erosion efforts. Mayor Mounce suggested partnering with the County for enforcement and maintenance efforts of the Lake. Council Member Hitchcock suggested immediate action because the erosion may continue to become worse while the City awaits relief from other agencies.

Dale Taylor spoke in opposition to the five mile per hour (mph) proposed speed limit based on his concerns that the restriction is not limited but instead for an indefinite period of time.

Tony Alegre spoke in opposition to the five mph proposed speed limit based on his concerns that the heavy flood seasons create the majority of the erosion and the proposed speed limit will have a minor effect on the same.

Dean Shibler spoke in opposition to the five mph proposed speed limit based on his concerns regarding the water condition of the Lake and needed bank restorations. He also suggested working with the Woodbridge Irrigation District (WID) and the Department of Fish and Game. In response to Mayor Pro Tempore Hansen, Mr. Shibler stated high winds impact erosion and that properly placed vegetation, instead of speed restrictions, will help with the wave action.

In response to Mayor Pro Tempore Hansen, Mr. Prima stated the WID obtained a permit from the State last year and the real test for moderating water levels will be next year.

Dana Smith spoke in opposition to the five mph proposed speed limit based on her concerns that the slow speed will cause greater waves and the matter pertaining to Knight's Lake should be revisited.

Mark Newfield spoke in opposition to the five mph proposed speed limit based on his concerns as indicated by previous speakers and the lack of enforcement efforts by the Sheriff's Department and County.

Robert Raingruber spoke in opposition to the five mph proposed speed limit based on his concerns regarding ongoing erosion and natural habitats. In response to Mayor Mounce, Mr. Raingruber confirmed that he resided in the area.

Alan MacIsaac spoke in opposition to the five mph proposed speed limit based on his concerns regarding the resulting wave action.

Dave Vaccarezza spoke in opposition to the five mph proposed speed limit based on his concerns regarding WID water levels and urged working together with other agencies to save the Lake.

Pat Stockar spoke in opposition to the five mph proposed speed limit based on his concerns regarding the need to work together with relevant agencies to invest money into the problem for a long-term solution.

Mary Dils spoke in support of the five mph proposed speed limit, stating it is needed for safety reasons.

Frank Alegre spoke in opposition to the five mph proposed speed limit based on his concerns regarding notification of the meeting, the lack of boats in the area, and the need for a traffic study. He suggested shoring the Lake with rip rap to prevent erosion.

Discussion ensued between Council Member Johnson, Council Member Hitchcock, Mr. Alegre, and Mr. Stockar regarding the possibility of reinforcing the riverbank with rip rap, rocks, or concrete, the costs associated with each, and the availability of assistance from other agencies through grants and emergency permits.

In response to Mayor Pro Tempore Hansen, Mr. Prima confirmed there are examples of differing sizes of rip rap along the river by the Rio Vista Bridge when traveling east.

George Fink spoke in opposition to the five mph proposed speed limit based on his concerns regarding the need for additional public hearing and outreach, and the wind action and weight of boats being a minor consideration in the report.

In response to Mayor Pro Tempore Hansen, Mr. Prima stated staff will look into his suggestions regarding partnering with the County, Bureau of Reclamation, Congress representatives, and other agencies.

Dean Shibler suggested staff look into the 2005 emergency permits that were granted to the City to see if the permit scope applies to making possible improvements at the Lake and to see if the permits can be extended.

Council Member Johnson stated that, if a letter is sent to the County, it should reference enforcement efforts.

Discussion ensued between Council Member Hitchcock and Mr. King regarding the ability to take action quickly, 1601 permits from the Fish and Game Department, alteration requirements, California Environmental Quality Act review, the lack of sympathy to natural erosion, tension between agencies on how to handle alterations, and the inability to predict costs until the consultants submit their findings in the final report.

Council Member Katzakian suggested making rip rap repairs as was done at the Woodbridge Country Club.

In response to Council Member Hitchcock, Mr. Prima stated he is not sure if regulating the speed limit to five mph in a specific area will help because the findings in the report are not quantified.

In response to Mayor Pro Tempore Hansen, Mr. Prima stated staff is meeting with the consultant next week, the site has already been walked, and the work will commence the following week. He stated they will continue to work on obtaining input and assistance from the community, Department of Fish and Game, Army Corps of Engineers, and other agencies.

The City Council designated Mayor Pro Tempore Hansen and Council Member Johnson to work with the County to combine resources and strategies regarding this matter. Mr. King confirmed that a letter will not be sent and staff will continue to work with staff from other agencies on the matter.

MOTION / VOTE:

There was no Council action taken on this matter.

- K-3 "Introduce Ordinance Repealing Ordinance No. 847 an Ordinance Adopting a Specific Plan for Lower Sacramento Road from West Lodi Avenue to West Turner Road to Allow a New Driveway"

City Manager King provided a brief introduction of the request from F&M Bank pertaining to the proposed ordinance.

Public Works Director Prima provided an overview of the ordinance adopting the specific plan for Lower Sacramento Road from West Lodi Avenue to West Turner Road to allow a new driveway and specifically discussed the property layout and need for access.

In response to Council Member Hitchcock, Mr. Prima stated that, if built with one road, there would be a long single roadway for both egress and ingress out of the complex and emergency access may or may not prove to be challenging.

In response to Mayor Pro Tempore Hansen, Mr. Prima stated the speed conditions near the intersection will remain the same.

In response to Council Member Johnson, Mr. Prima stated the telephone company will continue as it is currently.

In response to Council Member Johnson, Mr. Prima stated the distance to Elm Street is fairly reasonable. He stated the original plan was designed to provide well-designed access that is limited and properly spaced.

Steve Haley, Chief Financial Officer of F&M Bank, stated the property is zoned with some flexibility, is best suited for residential use, and per the architects' needs has two access points for safety and traffic flow reasons.

Discussion ensued between Mr. Haley and Mayor Pro Tempore Hansen regarding the property being located in the flood zone according to the new County maps, the likelihood that the property will be removed from said flood plain, and looking at alternatives such as raised foundations in the event that is not removed.

Council Member Hitchcock stated she will not support the recommendation because the original plan was done well and there does not appear to be a reason to change it.

MOTION / VOTE:

The City Council, on motion of Council Member Johnson, Mounce second, introduced Ordinance No. 1809 repealing Ordinance No. 847 an ordinance adopting a Specific Plan for Lower Sacramento Road from West Lodi Avenue to West Turner Road to allow an additional access point between Turner Road and Tejon Street to allow a new driveway on the west side of Lower Sacramento Road, approximately 450 feet south of Turner Road. The motion carried by the following vote:

Ayes: Council Members – Hansen, Johnson, Katzakian, and Mayor Mounce

Noes: Council Members – Hitchcock

Absent: Council Members – None

- K-4 “Adopt Resolution Amending Memorandum of Understanding between the City of Lodi and the Lodi City Mid-Management Association for the Period of January 1, 2008 through December 31, 2009”

City Manager King provided a brief overview of the provisions of the amended Memorandum of Understanding. He specifically discussed clarifying language with reference to the general fund and the term, stating that upon expiration of the agreement there will be no changes in benefits until a successor agreement becomes effective.

Council Member Hitchcock requested a grid or similar document outlining the different labor groups and when and what happens with respect to salary increases as stated in the terms of the various agreements.

In response to Council Member Hitchcock, Deputy City Manager Krueger stated the term of the proposed agreement is January 2008 through December 2009.

MOTION / VOTE:

The City Council, on motion of Mayor Pro Tempore Hansen, Katzakian second, unanimously adopted Resolution No. 2008-46 amending Memorandum of Understanding between the City of Lodi and the Lodi City Mid-Management Association for the period of January 1, 2008 through December 31, 2009.

- K-5 “Consideration of Council Member Salaries as Requested by Council Member Johnson”

Council Member Johnson provided an overview of the time commitment and dedication that is needed for the City Council to attend Shirtsleeve Sessions, City Council meetings, other agency meetings, and meeting and speaking with citizens to address matters pertaining to the City. Mr. Johnson proposed a \$360 salary adjustment based on the Consumer Price Index for a new monthly salary of \$860.

Council Member Hitchcock stated she would support the matter based on the comments made by Council Member Johnson and suggested that expenses be covered in light of the number of functions that require attendance. She stated the entire increase for the City Council amounts to less than \$10,000 per year.

Mayor Pro Tempore Hansen stated he will support the matter, there is an obligation to be with the public, and a slightly higher salary may encourage others to get involved.

Mayor Mounce stated she will not support the recommendation because the salary appears to be comparable to other communities.

MOTION / VOTE:

The City Council, on motion of Council Member Johnson, Hansen second, increased the City Council salary from \$500 per month to \$860 per month, not to become effective until the next general municipal election of November 2008, as set forth in the Government Code. The motion carried by the following vote:

Ayes: Council Members – Hitchcock, Hansen, Johnson, and Katzakian

Noes: Council Members – Mounce

Absent: Council Members – None

VOTE TO CONTINUE WITH THE REMAINDER OF THE MEETING

The City Council, on motion of Council Member Hitchcock, Johnson second, unanimously voted to continue with the remainder of the meeting following the 11:00 p.m. hour.

K. REGULAR CALENDAR (Continued)

K-6 “Approve Expenses Incurred by Outside Counsel/Consultants Relative to the Environmental Abatement Program Litigation and Various Other Cases being Handled by Outside Counsel (\$27,829.87)”

MOTION / VOTE:

The City Council, on motion of Mayor Pro Tempore Hansen, Mounce second, unanimously approved the expenses incurred by outside counsel/consultants relative to the Environmental Abatement Program litigation and various other cases being handled by outside counsel in the amount of \$27,829.87, as detailed below:

Folger Levin & Kahn – Invoices Distribution

Matter No.	Invoice No.	Date	Description	Water Acct. Amount
8002	106968	01/31/08	People v. M & P Investments	\$ 2,636.97

Kronick Moskovitz Tiedemann & Girard – Invoices Distribution

Matter No.	Invoice No.	Date	Description	100351.7323
11233.026	237517	02/25/08	Lodi First v. City of Lodi	\$ 15,358.75
11233.029	237517	02/25/08	AT&T v. City of Lodi	\$ 67.50
Total				\$ 15,426.25

MISCELLANEOUS

Invoice No.	Date	Description	Water Acct. Amount
20076116	1/11/2008	Legalink, Inc.	\$ 1,287.00
20075677	1/25/2008	Legalink, Inc.	\$ 1,370.00
20075350	1/25/2008	Legalink, Inc.	\$ 2,394.80
20075753	1/30/2008	Legalink, Inc.	\$ 1,455.00
20076264	1/30/2008	Legalink, Inc.	\$ 1,742.35
20076208	2/12/2008	Legalink, Inc.	\$ 1,517.50
Total			\$ 9,766.65

L. ORDINANCES

None

M. ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 11:16 p.m., in memory of Jim Areida.

ATTEST:

Randi Johl
City Clerk



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Request for Proposal - Audit services

MEETING DATE: April 2, 2008

PREPARED BY: Internal Services Director/Deputy City Manager

RECOMMENDED ACTION: By motion, authorize staff to solicit proposals for audit services as provided in the attached specifications

BACKGROUND INFORMATION: Macias Gini & O'Connell LLP has been performing the City's annual audit since their contract in 2003. Per Council's direction in January 2008, staff is submitting this request to solicit proposals for audit services for the fiscal year beginning 2007-08

Audit Services

The City has used an independent audit firm to audit the City's financial statements for many years to assure the City Council and the citizens of Lodi that the City is maintaining its financial records and providing financial reports in accordance with "generally accepted accounting principles". In addition, an independent audit is required by several Federal and State grant agreements and bond covenants entered into by the City to obtain funds through debt financing. The focus of the audit is on the City's basic financial statements published in the Comprehensive Annual Financial Report (CAFR) and compliance with Federal and State regulations to obtain grants.

The Comprehensive Annual Financial Report is also used by financial institutions to evaluate the City's financial ability to incur additional debt and for conformance with existing covenants to which the City agreed to obtain debt financing in past years.

The unique nature of government service as compared to the private sector requires the City to be accountable to a wide range of interested parties with different needs and concerns. Accordingly, public agencies have relied heavily on independent audits to meet these needs.

Request For Proposal

The attached Request For Proposals (RFP) is based on two model RFPs suggested by the Government Finance Officers' Association. In addition, the RFP includes standard terms and conditions for professional services developed by the City of Lodi when requesting proposals for services. The RFP was reviewed by the Budget and Finance Committee and is recommended for city council consideration.

APPROVED: _____
Blair King, City Manager

The RFP is divided into the following seven sections:

1. Description of the Work
2. General Terms and Conditions
3. Special Terms and Conditions
4. Description of the City
5. Agreement
6. Insurance Requirements
7. Proposal Submittal Forms

Selection Process

The evaluation of proposals and selection of the firm will be made by a panel of **four** people as discussed in detail on page 14. Two members of the panel will be members of the Budget and Finance Committee. The City of Lodi Internal Services Director/Deputy City Manager and the Financial Services Manager will be the third and fourth member of the panel.

Selection will be based on the firm's general qualifications, technical experience and cost. The general qualifications and technical experience of the firms will be weighted more than the proposed cost as shown on the attached evaluation sheet.

The firm selected will be responsible for the audit of financial records beginning with fiscal year 2007-08 for five years (GFOA recommended). Accordingly, time is essential to ensure proper coordination and planning prior to the beginning of the audit.

FUNDING AVAILABLE:

The funding for these services is included in the City of Lodi budget. The final cost will be based on bids received from audit firms and the level of services requested by the City of Lodi.

James R. Krueger
Deputy City Manager/Internal Services Director

RRP/rp
Prepared by: Ruby R. Paiste, Financial Services Manager

Attachments
Request For Proposal – Audit Services

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A. NATURE OF SERVICES REQUIRED

1. General Information

The City of Lodi is requesting proposals from qualified firms of Certified Public Accountants for a five-year contract to audit the City's financial statements and perform a Single Audit beginning with the fiscal year ending June 30, 2008, with the option to renew for an additional five fiscal years. These audits are to be performed in accordance with generally accepted auditing standards set forth for financial audits in the General Accounting Office's (GAO) Government Auditing Standards, the federal Single Audit Act of 1996 and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local governments.

Beginning with the fiscal year ended June 30, 2003, the City of Lodi implemented the provisions related to Governmental Accounting Standards Board Statement No. 34 (GASB 34).

2. Scope of Work

Basic Financial Statements - The auditor will be required to express an opinion on the fair presentation of the basic financial statements and notes as to conformity with generally accepted accounting principles. The auditor will not be required to audit the combining, individual fund and account group financial statements with their supporting schedules. However, the auditor will provide an "in-relation-to" report on the combining and individual fund statements and supporting schedules based on the auditing procedures applied during the audit of the basic financial statements. The auditor will not be required to audit the statistical section of the report. The auditor will be responsible for performing certain limited procedures on supplementary information required by the Governmental Accounting Standards Board as required by accepted auditing standards.

Single Audit Act Report - The City receives federal funds that are governed under the provisions of the Single Audit Act. The auditor is not required to audit the schedule of federal financial assistance. However, the auditor will provide an "in-relation-to" report on the auditing procedures applied during the audit.

Special Purpose Audits - The City receives funding under the Federal Transit Administration and Community Development Block Grant/Home Funds that require financial and compliance audit.

3. Auditing Standards to be Followed

To meet the requirements of this request, the audit will be performed in accordance with generally accepted auditing standards provided by the American Institute of Certified Public Accountants, the standards for financial audits provided in the U.S. General Accounting Office's Government Auditing Standards, the provisions of the Single Audit

Act of 1996 and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Nonprofit Organizations, the standards for financial reporting provided by the Government Finance Officers Association, and the applicable laws, rules and regulations of the Federal Transit Administration.

4. Reports to be Issued

Following the completion of the audit, the auditor will issue the following reports:

- a) A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles
- b) A management letter describing suggested improvements to internal controls and operations observed during the audit.
- c) A report on compliance with applicable laws and regulations.
- d) An 'in-relation-to' report on the schedule of federal financial assistance.
- e) A report on the internal control structure used to administer federal financial assistance programs.
- f) A report on compliance with specific requirements applicable to major federal and state financial assistance programs.
- g) A report on compliance with specific requirements applicable to non-major federal financial assistance programs.
- h) A report on compliance with general requirements for both major and non-major federal financial assistance programs.
- i) An agreed-upon-procedure report for GANN limitation verification.
- j) An agreed-upon-procedure report for Investment report verification

5. Internal Control and Compliance Reports

In the report on internal controls, the auditor will communicate any reportable conditions found during the audit. A reportable condition will be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the City's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions that are also material weaknesses will be identified as such in the report.

Non-reportable conditions discovered by the auditors will be reported in a separate letter to management, which will be referred to in the report on internal controls.

The report on compliance will include all instances of noncompliance. Auditors will be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware of to the following parties:

- City Manager
- Internal Services Director/Deputy City Manager
- City Attorney

Auditors will assure themselves that the City is informed of each of the following:

- The auditors responsibility under generally accepted auditing standards
- Significant accounting policies
- Management judgments and accounting estimates
- Significant audit adjustments
- Other information in documents containing audited financial statements
- Disagreements with management
- Management consultation with other accountants
- Major issues discussed with management prior to retention
- Difficulties encountered in performing the audit

B. GENERAL TERMS AND CONDITIONS

1. Proposal Requirements

- a. Requirement to Meet All Provisions** - Each individual or firm submitting a proposal (bidder) will meet all of the terms and conditions of the specifications in the Request for Proposals (RFP). By submitting a proposal, the bidder acknowledges agreement with and accepts all provisions in the specifications of the Request for Proposal.
- b. Proposal Submittal** - Each proposal must be submitted in the form provided in the specifications and accompanied by any other required information or supplemental materials. Proposal documents will be enclosed in an envelope, which will be sealed and addressed to:

**City of Lodi
Financial Services Manager
P.O. Box 3006
Lodi, CA, 95241-1910**

In order to guard against premature opening, the proposal should be **clearly labeled** with the **RFP title, name of bidder, and date and time of proposal opening**. No FAX submittals will be accepted.

- c. Proposal Withdrawal and Opening** - A bidder may withdraw a proposal, without prejudice prior to the time specified for opening by submitting a written request to the Financial Services Manager for its withdrawal, in which event the proposal will be returned to the bidder unopened. No proposal received after the time specified or at any place other than that stated in the "Notice Inviting Bids/Requesting Proposals" will be considered.
- d. Submittal of One Proposal Only** - No individual or business entity of any kind will be allowed to make or file, or to be interested in more than one proposal, except an alternative proposal when specifically requested; however, an individual or business entity that has submitted a sub-proposal to a bidder submitting a proposal, or who has quoted prices on materials to such bidder, is not thereby disqualified from submitting a sub-proposal or from quoting prices to other bidders submitting proposals.
- e. Communications** - All timely requests for information submitted in writing would receive a written response from the City. Telephone communications with City staff are not encouraged, but will be permitted. However, any such oral communication will not be binding on the City.

2. Contract Award and Execution

- a. Proposal Retention and Award** - The City reserves the right to retain all proposals for a period of 60 days for examination and comparison. The City also reserves the right to waive non-substantial irregularities in any proposal, to reject any or all proposals, to reject or delete one part of a proposal and accept the other, except to the extent that proposals are qualified by specific limitations as the interest of the City may require. See the Special Terms and Conditions for any other proposal evaluation and award criteria.
- b. Competency and Responsibility of Bidder** - The City reserves full discretion to determine the competence and responsibility, professionally and/or financially, of bidders. Bidders will provide, in a timely manner, any and all information that the City deems necessary to make such a decision.

- c. **Contract Requirement** - The bidder to whom award is made will execute a written contract with the City within ten (10) calendar days after notice of the award has been mailed to address given in its proposal.
- d. **Failure to Accept Contract** - The following will occur if the bidder to whom the award is made (Auditor) fails to enter into the contract: The award will be annulled; and an award may be made to the next bidder who will fulfill every stipulation as if it were the party to whom the first award was made.
- e. **Insurance Requirements** - Auditor will provide proof of insurance in the form, coverage, and amounts specified in these specifications within ten (10)-calendar days after notice of contract award as a precondition to contract execution.
- f. **Business Tax** - The Auditor must have a valid City of Lodi business tax certificate prior to execution of the contract. Additional information regarding the City's business tax program may be obtained by calling (209) 333-6717.

3. **Contract Performance**

- a. **Ability to Perform** - The Auditor warrants that it possesses, all capital and other equipment, labor, materials, and licenses necessary to carry out and complete the work hereunder in compliance with any and all federal, state, county, city and special district laws, ordinances and regulations.
- b. **Laws to be Observed** - The Auditor will keep itself fully informed of and will observe and comply with all applicable state and federal laws and county and City of Lodi ordinances, regulations and adopted codes during performance of the work.
- c. **Payment of Taxes** - The contract price will include full compensation for all taxes, which the Auditor is required to pay.
- d. **Safety Provisions** - The Auditor will conform to the rules and regulations pertaining to safety established by OSHA and the California Division of Industrial Safety.
- e. **Public and Employee Safety** - Whenever the Auditor's operations create a condition hazardous to the public or City employees, the Auditor will, at its expense and without cost to the City, take such protective measures as are necessary to prevent accidents or damage or injury to the public and the employees.
- f. **Preservation of City Property** - The Auditor will provide and install suitable safeguards, approved by the City, to protect City property from injury or damage. If City property is injured or damaged as a result of the Auditor's operations, it will be replaced or restored at the Auditor's expense. The facilities will be replaced or restored to a condition as good as when the Auditor began work.

- g. Immigration Act of 1986** - The Auditor warrants on behalf of itself that only persons authorized to work in the United States pursuant to the Immigration Reform and Control Act of 1986 and other applicable laws will be employed in the performance of the work hereunder.
- h. Auditor Non-Discrimination** - In the performance of this work, the Auditor agrees that it will not engage in discrimination in employment of persons because of age, race, color, sex, national origin or ancestry, sexual orientation, or religion of such persons.
- i. Work Delays** - Should the Auditor be obstructed or delayed in the work required to be done hereunder by changes in the work or by any default, act, or omission of the City, or by strikes, fire, earthquake, or any other Act of God, or by the inability to obtain materials, equipment, or labor due to federal government restrictions arising out of defense or war programs, then the time of completion may, at the City's sole option, be extended for such periods as may be agreed upon by the City and Auditor. In the event that there is insufficient time to grant such extensions prior to the completion date of the contract, the City may, at the time of acceptance of the work, waive liquidated damages which may have accrued for failure to complete on time, due to any of the above, after hearing evidence as to the reasons for such delay, and making a finding as to the causes of same.
- j. Payment Terms** - The City's payment terms are 30 days from the receipt of an original invoice. Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the Auditor's dollar cost bid proposal. Interim billing shall cover a period of not less than a calendar month.
- k. Audit** - The City will have the option of inspecting and/or auditing all records and other written materials used by the Auditor in preparing its invoices to the City as a condition precedent to any payment to Auditor.
- l. Interests of Auditor** - The Auditor covenants that it presently has no interest, and will not acquire any interest direct or indirect or otherwise, which would conflict in any manner or degree with the performance of the work hereunder. The Auditor further covenants that, in the performance of this work, no subcontractor or person having such an interest will be employed. The Auditor certifies that no one who has or will have any financial interest in performing this work is an officer or employee of the City. It is hereby expressly agreed that, in the performance of the work hereunder, the Auditor will at all times be deemed an independent contractor and not an agent or employee of the City.
- m. Hold Harmless and Indemnification** - The Auditor agrees to defend, indemnify, protect and hold the City and its agents, officers and employees harmless from and against any and all claims asserted or liability established for damages or injuries to any person or property, including injury to the Auditor's employees, agents or

officers which arise from or are connected with or are caused or claimed to be caused by the acts or omissions of the Auditor, and its agents, officers or employees, in performing the work or services herein, and all expenses of investigating and defending against the same; provided, however, that the Auditor's duty to indemnify and hold harmless shall not include any claims or liability arising from the established sole negligence or willful misconduct of the City, its agents, officers or employees.

- n. Contract Assignment** - The Auditor will not assign, transfer, convey or otherwise dispose of the contract, or its right, title or interest, or its power to execute such a contract to any individual or business entity of any kind without the previous written consent of the City.
- o. Termination** - If, during the term of the contract, the City determines that the Auditor is not faithfully abiding by any term or condition contained herein, the City may notify the Auditor in writing of such defect or failure to perform; which notice must give the Auditor a ten calendar day notice of time thereafter in which to perform said work or cure the deficiency. If the Auditor has not performed the work or cured the deficiency within the ten (10) days specified in the notice, such action shall constitute a breach of the contract and the City may terminate the contract immediately by written notice to the Auditor. Thereafter, neither party will have any further duties, obligations, responsibilities, or rights under the contract except, however, any and all obligations of the Auditor's surety will remain in full force and effect, and will not be extinguished, reduced, or in any manner waived by the termination thereof. In said event, the Auditor will be entitled to the reasonable value of its services performed from the beginning date in which the breach occurs up to the day it received the City's Notice of Termination, minus any offset from such payment representing the City's damages from such breach. The City reserves the right to delay any such payment until completion or confirmed abandonment of the project, as may be determined at the City's sole discretion, so as to permit a full and complete accounting of costs. In no event, however, will the Auditor be entitled to receive in excess of the compensation quoted in its proposal.

C. SPECIAL TERMS AND CONDITIONS

1. Contract Term

A five-year contract is contemplated with an option to renew for an additional five years. At the end of each year, the City reserves the right to terminate services for the subsequent year upon 90 days notification.

2. Proposal Content

To be considered, the following materials must be received at the Finance Department by **April 23, 2008 at 2:00 p.m.** at its offices at the Finance Department at 300 W. Pine Street, Lodi, CA 95240.

- a. Four copies of the proposal to include the following:
- i. Table of Contents
 - ii. Transmittal Letter. A signed letter of transmittal briefly stating the bidder's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for sixty days.
 - iii. Required Submittal Forms:
 - Proposal submittal summary
 - Schedule of professional fees and expenses
 - Statement of past contract disqualification
 - iv. Detailed Proposal. The detailed proposal should follow the order set forth in this request for proposals.
- b. **General Requirements** - The purpose of the proposal is to demonstrate the qualifications, competence and capacity of the firm seeking to undertake an independent audit of the City of Lodi in conformity with the requirements of this request. As such, the substance of the proposal will carry more weight than the form or manner of presentation. The proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. The proposal should also specify an audit approach that will meet the requirements of this request. The proposal should address all the points outlined. The proposal should be prepared simply and economically, providing a straightforward, concise description of the bidder's capabilities to satisfy the requirements of the request. While additional information may be presented, the following subjects, item (c) through (o) below, must be included. They represent the criteria against which the proposal will be evaluated.
- c. **Independence** - The bidder should provide an affirmative statement that he/she is independent of the City of Lodi, California as defined by generally accepted auditing standards and the U.S. General Accounting Office's Government Auditing Standards.

The bidder should also list and describe the firm's professional relationships involving the City for the past five years, together with a statement explaining why this relationship does not constitute a conflict of interest relative to performing an audit of the City.

In addition, the bidder will give the City written notice of any professional relationships entered into during the period of this agreement.

- d. License to Practice in California** - An affirmative statement will be included as to whether the firm and all assigned key professional staff is properly licensed to practice in the State of California.
- e. Firm Qualifications and Experience** - The bidder should state the staffing size of the firm, the size of the firm's governmental audit staff, the number that are certified, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis. If the bidder is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve, as the principal auditor should be noted. The bidder is also required to submit a copy of the report on its most recent external quality control review with a statement whether that quality control review included a review of specific government engagements. The bidder will also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three years. In addition, the firm will provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three years with state regulatory bodies or professional organizations.
- f. Partner, Supervisory and Staff Qualifications and Experience** - The bidder should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each person is licensed to practice as a Certified Public Accountant in California. Provide information on the government auditing experience of each person, including information on relevant local government auditing continuing professional education for the past three years and membership in professional organizations relevant to the performance of this audit.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured. Indicate the number of additional staff the firm would have to hire if awarded this contract.

The bidder should identify the extent to which staff to be assigned to the audit reflect the City's commitment to Affirmative Action.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the City. However, in either case, the City retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposal can only be changed with the express prior written permission of the City, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the bidder provided that replacements have substantially the same or better qualifications or experience.

- g. Resources** - The bidder should describe its ability to provide the City with qualified, trained staff if it is awarded this contract, in light of current client obligations.
- h. Similar Engagements With Other Government Entities** - For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum -5) performed in the last five years that are similar to the engagement described in this request for proposal. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact. Also indicate if any of these agencies has received the Government Finance Officers Association's (GFOA) Certificate of Achievement in Financial Reporting during this timeframe.
- i. Specific Audit Approach** - The proposal should set forth a work plan, including an explanation of the audit methodology and time frames before and after the close of the fiscal year to be followed, to perform the services required in this request for proposal. In developing the work plan, reference should be made to such sources of information as the City's budget and related materials, organization charts, manuals and programs, and financial and other management information systems.

Bidders will be required to provide the following information on their audit approach:

- Proposed segmentation of the engagement
- Level of staff and number of hours to be assigned to each proposed segment of the engagement
- Sample size and the extent to which statistical sampling is to be used in the engagement
- Extent of use of on-site automated systems in the engagement
- Type and extent of analytical procedures to be used in the engagement

- Approach to be taken to gain and document an understanding of the City's internal control structure
 - Approach to be taken in determining laws and regulations that will be subject to audit test work
 - Approach to be taken in drawing audit samples for purposes of testing compliance
 - A list of schedules and tables that the auditor anticipates would normally be prepared by the City to assist in the conduct of fieldwork.
- j. Identification of Anticipated Potential Audit Problems** - The proposal should identify and describe any anticipated potential audit problems, the bidder's approach to resolving these problems and any special assistance that will be requested from the City.
- k. Total All-Inclusive Maximum Price** - The proposal should contain all pricing information relative to performing the audit engagement as described in this request. The total all-inclusive maximum price to be presented in the proposal summary, which will include all direct and indirect costs and all out-of-pocket expenses.
- The City will not be responsible for expenses incurred in preparing and submitting the proposal. Such costs should not be included in the proposal.
- l. Rates by Partner, Specialist, Supervisory and Staff Level Times Hours Anticipated for Each** - The bid should include a schedule of professional fees and expenses, which supports the total all-inclusive maximum price. The cost of special services described in this request should be disclosed as separate components of the total all-inclusive maximum price.
- m. Out-of-pocket Expenses Included in the Total All-inclusive Maximum Price and Reimbursement Rates** - All estimated out-of-pocket expenses to be reimbursed should be presented in the format provided in the attachment. All expense reimbursements will be charged against the total all-inclusive maximum price submitted by the firm.
- n. Rates for Additional Professional Services** - If it should become necessary for the City to request the auditor to render any additional services, to either supplement the services requested in this RFP or to perform additional work, as a result of the specific recommendations included in any report issued on this engagement, such additional work will be performed only if set forth in an addendum to the contract between the City and the firm. Any such additional work agreed to between the City and the firm will be performed at the same rates set forth in the schedule of fees and expenses included in the proposal.

- o. Proposal Length and Copies** - Proposals should not exceed 30 pages, including required attachments and supplemental materials.

3. Proposal Evaluation and Selection

- a. Review Committee** - A committee of four people will evaluate the proposals, as follows:

- City of Lodi Internal Services Director
- City of Lodi Financial Services Manager
- two Budget and Finance Committee member

- b. Evaluation of Proposals** - A point formula will be used during the review process to score proposals. The City reserves the rights to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected. Proposals will be evaluated using three sets of criteria. The following represent the principal selection criteria that will be considered during the evaluation process.

- **General Qualifications (Maximum Points - 15)**
 - The audit firm is independent and licensed to practice in California
 - The audit firm's professional personnel have received adequate continuing professional education within the preceding two years
 - The bidder has no conflict of interest with regard to any other work performed by the finance for the City
 - The bidder's responsiveness to the instructions in this request for proposal in preparing and submitting the proposal
 - The bidder submits a copy of its last external quality control review report and the firm has a record of quality audit work.
- **Technical Quality (Maximum Points - 60)**
 - **Expertise and Experience (Maximum Points - 30)**
 - The bidder's past experience and performance on comparable government engagements

- The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation

➤ **Audit Approach (Maximum Points - 30)**

- Adequacy of proposed staffing plan for various segments of the engagement
- Adequacy of sampling techniques
- Adequacy of analytical procedures

• **Price (Maximum Points - 25)**

The maximum score for price will be assigned to the firm offering the lowest total all-inclusive maximum price. Appropriate fractional scores will be assigned to other bidders. As reflected above, the award of contract will not be based solely on price, but on a combination of factors as determined to be in the best interest of the City. After evaluating the proposals and discussing them further with the finalists or the tentatively selected contractor, the City reserves the right to further negotiate the proposed work and/or method and amount of compensation.

- c. **Oral Presentation** - During the evaluation process, City staff may, at its discretion, request any one or all bidders to make oral presentation. Such presentations will provide firms with an opportunity to answer any questions the staff may have on a bidder's proposal. Not all firms may be asked to make such oral presentations.

4. **Proposal Review and Award Schedule** - The following is an outline of the anticipated schedule for proposal review and contract award:

Issue RFP	4/3
Conduct pre-proposal conference	4/9
Receive proposals	4/23
Conduct finalist interviews	4/30
Finalize staff recommendation	5/9
Award contract	5/21

5. **Pre-proposal Conference** - A pre-proposal conference will be held on April 9, 2008, at 2:00 p.m., at the Finance Department, 300 West Pine Street to answer any questions that prospective bidders may have regarding this Request for Proposal (RFP).
6. **Ownership of Materials** - All documents and other materials prepared by or in possession of the Auditor as part of the work or services under these specifications shall

become the permanent property of the City and shall be delivered to the City upon demand.

7. **Release of Reports and Information** - Any reports, information, data, or other material given to, prepared by or assembled by the Auditor as part of the work or services under these specifications shall be the property of City and shall not be made available to any individual or organization by the Auditor without the prior written approval of the City.
8. **Copies of Reports and Information** - If the City requests additional copies of reports, specifications, or any other material in addition to what the auditor is required to furnish in limited quantities as part of the work or services under these specifications, the auditor shall provide such additional copies as requested, and City shall compensate the auditor for the costs of duplicating of such copies.
9. **Required Deliverable Products** - The Auditor will be required to provide the following no later than **November 15th** of each year:
 - a. One copy of each report listed in paragraph 4, page I under "Description of Work". City staff will review any documents or materials provided by the Auditor, and where necessary, the Auditor will be required to respond to staff comments and make such changes as deemed appropriate.
 - b. One copy of the letter to management on the adequacy of internal controls and recommendations for improvement.
 - c. When computers have been used to produce materials submitted to the City as a part of the work scope, the Auditor must provide the corresponding computer files to the City, compatible with the following programs unless otherwise directed by the Financial Services Manager:

Word Processing

Word for Windows 2003

Spreadsheets

Excel Release 2003

Computer files must be on media formatted for use on IBM-compatible systems. Each file must be clearly labeled and have a printed copy of the directory.

10. **Statement of Contract Disqualification** - Each bidder shall submit a statement regarding any past governmental agency contract disqualification on the form provided in the RFP package.

11. Special Considerations

- a. The City will submit its comprehensive annual financial report to the Government Finance Officers Association of the United States and Canada for review in their Certificate of Achievement for Excellence in Financial Reporting program and to the California Society of Municipal Finance Officers for their Certificate of Award of Outstanding Financial Reporting program. It is anticipated that the auditor will not be required to provide special assistance to the City to meet the requirements of that program. Final audit reports **MUST** be completed by **November 15th** in order to meet the deadlines for the filing for the awards. If there is a delay, any additional costs the City incurs, (i.e., staff overtime, additional printing costs, etc.) will be the Auditor's responsibility.
- b. The City currently anticipates it will prepare one or more official statements in connection with the sale of debt securities that will contain the basic financial statements and the auditor's report thereon. The auditor shall be required, if requested by the fiscal advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters."
- c. The City has determined that the State Controller's Office of the State of California will function as the cognizant agency in accordance with the provisions of the Single Audit Act of 1996 and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Nonprofit Organizations.
- d. The schedule of federal financial assistance and related auditor's report, as well as the reports on the internal controls and compliance are to be issued as part of the comprehensive annual financial report.

12. **Working Paper Retention and Access to Working Papers** - All working papers and reports must be retained, at the auditor's expense, for a minimum of three years, unless the firm is notified in writing by the City of the need to extend the retention period. The auditor will be required to make working papers available to third parties only upon written request by the City's Financial Services Manager.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

13. **Assistance to be provided to the Auditor by the City**

- a. **Finance Department and Clerical Assistance** - Preparation and printing of the Comprehensive Annual Financial Report (including Single Audit Act section) shall be the responsibility of the City. The auditor will be responsible for reviewing, as well as editing and proofing the final draft. Preparation and printing of the FTA & CDBG/Home Funds compliance reports are the

responsibility of the auditor. The finance department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the City.

b. Information System Assistance - The information system staff, equipment, and generalized user software have been used extensively in the past for auditing purposes. The City will provide a general ledger password to the auditors for use in performing tests of accounting transactions. Information Systems personnel will be available to provide systems documentation and explanations.

c. Work area, telephones, photocopying, FAX machines, and parking - The City will provide the auditor with reasonable workspace, and access to a telephone, photocopying facilities and FAX machine. All long distance phone and fax transmissions are to be reimbursed to the City. Parking is available at City Hall.

14. Attendance at Meeting and Hearings - As part of the work scope and included in the maximum contract price is attendance at up to three governing body meetings annually to present and discuss audit findings and recommendations. Auditor shall attend as many 'working meetings' with staff as necessary in performing audit tasks.

D. DESCRIPTION OF THE CITY

1. Auditor Contact - The auditor's principal contact with the City will be Ruby Paiste, Accounting Manager, who will coordinate the assistance to be provided by the City to the auditor.

2. Background Information - Lodi is a general law City, incorporated on December 6, 1906, and is organized in accordance with the Council-City Manager form of government. With a population of approximately 63,395 covering 13.92 square miles, the City provides a broad range of municipal services, including: police and fire protection, parks and recreation, electric, water and sewer utilities, street maintenance, public transportation, planning, building and safety, and other general government services. The City has a total payroll of \$26.6 million covering 458 full-time equivalent employees. The accounting and financial reporting functions of the City are centralized. More detailed information on the government and its finances can be found in the 2007-08 Budget and the Comprehensive Annual Financial Report for the year ended June 30, 2007, which is available upon request.

3. **Fund Structure** - The City uses the following fund types in its financial reporting:

<u>Fund Type</u>	Number of Individual Funds
General Fund	1
Special Revenue Funds	5
Debt Service Funds	1
Capital Projects Funds	6
Enterprise Funds	4
Internal Service Funds	2
Fiduciary Funds	2

4. **Budgetary Basis of Accounting** - The City prepares its annual budget on a basis consistent with generally accepted accounting principles.

5. **Federal and State Financial Assistance** - During the first fiscal year of the five-year contract, the City expects to receive the following financial assistance:

Federal Transit Assistance	\$ 1,100,000
Community Development Block Grant	1,055,000

6. **Pension Plans** - The City participates in the California Public Employees Retirement System (PERS), an agent multiple-employer public employee retirement system. The City also offers a deferred compensation plan to its employees created in accordance with the Internal Revenue Code Section 457.

7. **Joint Ventures** - The City participates in four joint ventures:

- California Joint Powers Risk Management Association
- Local Agency Workers' Compensation Excess Joint Powers Authority
- California Transit Insurance Pool
- Northern California Power Agency

8. **Magnitude of Finance Operations** - The Financial Services Department consists of three activities:

Finance Administration	2 employees
Revenue Billing and Collections	13 employees
performing electric, water and sewer billing, general accounts receivable, cashiering and cash management duties	
Accounting	8 employees
performing payroll, accounts payable, general ledger and financial reporting duties	

9. Computer Systems for Accounting Applications

➤ **Hardware**

<u>Type of Equipment</u>	<u>Number</u>	<u>Make of Equipment</u>
Mid-Range Computer	1	IBM AS 400 RISC

➤ **Software**

World Software - JD Edwards

- 10. Recognition for Financial Planning and Reporting Efforts** - The City has received national recognition for its efforts in financial reporting from GFOA and CSMFO. The City is committed to maintain a high standard of reporting and fund management through its use of quality financial management tools.

E. AGREEMENT

THIS AGREEMENT is made and entered into in the City of Lodi on this day of I by and between the CITY OF LODI, a municipal corporation, hereinafter referred to as City, and..... hereinafter referred to as Auditor.

WITNESS:

WHEREAS, on April 3, 2008, the City requested proposals for auditing services per Specification No. 08-01.

WHEREAS, pursuant to said request, Auditor submitted a proposal that was accepted by the City for said services.

NOW THEREFORE, in consideration of their mutual promises, obligations and covenants hereinafter contained, the parties hereto agree as follows:

1. **TERM.** The term of this Agreement shall be from the date this Agreement is made and entered, as first written above, until acceptance or completion of the annual audit for the fiscal year ended June 30, 2012.
2. **INCORPORATION BY REFERENCE.** City Specification No. 08-01 and Auditor's proposal dated April 3, 2008, are hereby incorporated in and made a part of this Agreement.
3. **CITY'S OBLIGATIONS.** For providing auditing services as specified in this Agreement, City will pay and Auditor shall receive the amounts stated in the proposal hereto and incorporated into this Agreement.
4. **AUDITOR'S OBLIGATIONS.** For and in consideration of the payments and agreements herein before mentioned to be made and performed by City, Auditor agrees with City to do everything required by this Agreement and said specifications.
5. **AMENDMENTS.** Any amendment, modification, or variation from the terms of this Agreement shall be in writing and shall be effective only upon approval by the City Manager of the City.
6. **COMPLETE AGREEMENT.** This written Agreement, including all writings specifically incorporated herein by reference, shall constitute the complete agreement between the parties hereto. No oral agreement, understanding, or representation not reduced to writing and specifically incorporated herein shall be of any force or effect, nor shall any such oral agreement, understanding, or representation be binding upon the parties hereto.

7. **NOTICE.** All written notices to the parties hereto shall be sent by United States mail, postage prepaid by registered or certified mail addressed as follows:

City Financial Services Manager
 City of Lodi
 P.O. Box 3006
 Lodi, CA 95241-1910

Auditor

.....
.....
.....

8. **AUTHORITY TO EXECUTE AGREEMENT.** Both City and Auditor do covenant that each individual executing this agreement on behalf of each party is a person duly authorized and empowered to execute Agreements for such party.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed the day and year first above written.

ATTEST:

CITY OF LODI
A Municipal Corporation

Randi Johl, City Clerk

By: _____
Blair King, City Manager

APPROVED AS TO FORM:

Steve Schwabauer, City Attorney

AUDITOR

By: _____

By: _____

F. INSURANCE REQUIREMENTS:

Consultant Services

The Auditor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Auditor, its agents, representatives, employees, or subcontractors.

Minimum Scope of Insurance - Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 000 1).
2. Insurance Services Office form number CA 000 I (Ed. 1/87) covering Automobile Liability, code I (any auto).
3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.
4. Errors and Omissions Liability insurance as appropriate to the consultant's profession.

Minimum Limits of Insurance - Auditor shall maintain limits no less than:

1. General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage
3. Employer's Liability: \$ 1,000,000 per accident for bodily injury or disease
4. Errors and Omissions Liability: \$1,000,000 per occurrence

Deductibles and Self-Insured Retention - Any deductibles or self-insured retention must be declared to and approved by the City. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retention's as respects the City, its officers, officials, employees and volunteers; or the Auditor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

Other Insurance Provisions - The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The City, its officers, officials, employees, agents and volunteers are to be covered as insured as respects: liability arising out of activities performed by or on behalf of the Auditor; products and completed operations of the Auditor; premises owned, occupied or used by the Auditor; or automobiles owned, leased, hired or borrowed by the Auditor. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, official, employees, agents or volunteers.
2. For any claims related to this project, the Auditor's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, agents or volunteers shall be in excess of the Auditor's insurance and shall not contribute to it.
3. Any failure to comply with reporting or other provisions of the policies including breach of warranties shall not affect coverage provided to the City, its officers, officials, employees, agents or volunteers.
4. The Auditor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
5. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, cancelled by either party, reduced in coverage or in limits except after thirty days' prior written notice by certified mail, return receipt requested, has been given to the City.

Acceptability of Insurers - Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII.

Verification of Coverage - Auditor shall furnish the City with a certificate of insurance showing maintenance of the required insurance coverage. Original endorsements effecting general liability and automobile liability coverage required by this clause must also be provided. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All endorsements are to be received and approved by the City before work commences.

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Statement of Bidder's Past Contract Disqualifications

The bidder shall state whether it or any of its officers or employees who have a proprietary interest in it, has ever been disqualified, removed, or otherwise prevented from bidding on, or completing a federal, state, or local government project because of the violation of law, a safety regulation, or for any other reason, including but not limited to financial difficulties, project delays, or disputes regarding work or productquality, and if so, to explain the circumstances.

1. Do you have any disqualification as described in the above paragraph to declare?

Yes _____

No _____

2. If yes, explain the circumstances.

Executed on _____ at _____

I declare, under penalty of perjury of the laws of the State of California, that the foregoing is true and correct.

Signature of Authorized Bidder Representative

CITY OF LODI - REQUEST FOR PROPOSAL - AUDIT SERVICES
2008

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REFERENCES

Number of years engaged in providing the services included within the scope of the specifications under the present business name:

List and describe fully the last three contracts performed by your firm, which demonstrate your ability to provide the services included with the scope of the specifications. Attach additional pages if required. The City reserves the right to contact each of the references listed for additional information regarding your firm's qualifications.

Reference No. 1

Customer Name: _____
Contact Individual: _____ Phone No: _____
Address: _____
Contract Amount: _____ Year: _____
Description of Services Provided:

Reference No. 2

Customer Name: _____
Contact Individual: _____ Phone No: _____
Address: _____
Contract Amount: _____ Year: _____
Description of Services Provided:

Reference No. 3

Customer Name: _____
Contact Individual: _____ Phone No: _____
Address: _____
Contract Amount: _____ Year: _____
Description of Services Provided:

Letterhead

DATE: April 2, 2008

TO: Invited Parties

FROM: James R. Krueger, Internal Services Director/Deputy City Manager

SUBJECT: **Professional Auditing Services**

The City of Lodi is soliciting proposals from qualified firms of certified public accountants for a five-year contract to audit the financial statements of the following entities beginning with the fiscal year ending June 30, 2008, with the option of renewing the contract for five subsequent fiscal years:

City of Lodi, Comprehensive Annual Financial Report and Single Audit.

City of Lodi, Federal Transit Assistance (Section IX) Funds

City of Lodi, Community Development Block Grant Funds/Home Funds

Audit firms expressing interest will be provided with a copy of a request for proposal (RFP) document.

Please indicate your interest in receiving a copy of the RFP by making a request in writing by April 11, 2008.

All questions and correspondence should be directed to Ruby Paiste, Financial Services Manager at the above address or by calling (209) 333 – 6800 x2591.



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Approve Request for Proposal (RFP) to Replace and Upgrade the Existing Remote Meter Reading System and Services for Time-Of-Use Electric Customers (Large Customer Class) and Authorize the Advertisement for Proposals (EUD)

MEETING DATE: April 2, 2008

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Approve a Request for Proposal (RFP) to replace and upgrade the existing remote meter reading system and services for the large customer class, time-of-use (TOU) customers and authorize the advertisement for proposals.

BACKGROUND INFORMATION: EUD's existing remote meter reading system was originally provided by IMSERV North America LLC (IMSERV). IMSERV has been absorbed by Hunt Technologies, Inc. (Hunt) and they continue to provide the same remote meter reading services and processes. In 2007, MeterSmart of Arlington, Texas acquired Hunt Technologies, Inc.

Unfortunately, the changes of remote meter reading service providers has not improved the poor quality of service, questionable meter reading data (especially for large class customers), time-consuming billing data preparation, and discrepancies between the website meter data and the billing meter reads. Utility Department's (EUD's) Metering Electrician usually spends an average of four to ten workdays correcting errors and processing large customer billings per month. Frequent coordination with MeterSmart about the situation has not produced either service or data quality improvement.

For purposes of improving the quality of meter data, service and website information, staff recommends replacement and upgrading the existing remote meter reading system services for the City's large TOU customers. The proposed system under the RFP will be requested with automated file transfer features, will be operated in parallel with the MeterSmart for a period of three months to prove concept and processes, and will be provided on a "turn-key" basis. Currently, there are 55 TOU customers being served. If the existing California Independent System Operator Market Redesign and Technology Upgrade (CAISO MRTU) initiative is implemented and critical peak pricing is involved, the other small three-phase customers should also be converted. At this time, the added cost to EUD of converting the smaller TOU customers is greater than the benefits of doing so.

FISCAL IMPACT: The benefits from the efficiencies gained and the accuracy of reads will offset the costs of the new meters.

FUNDING AVAILABLE: Estimated cost is approximately \$25,000 and included in the EUD 2007/08 budget in Account No. 161651.

APPROVED: _____
Blair King, City Manager

George F. Morrow
Electric Utility Director

PREPARED BY: Demy Bucaneg, Jr., P.E., Manager, Engineering & Operations
Allen Aadland, Acting Electrical Systems Supervisor

GFM/DB/lst



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Approve Plans and Specifications and Authorize Advertisement for Bids for Lower Sacramento Road West Frontage Road Wastewater Pipe Improvements (Bayberry Drive to Tejon Street)

MEETING DATE: April 2, 2008

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Approve plans and specifications for the Lower Sacramento Road West Frontage Road Wastewater Pipe Improvements (Bayberry Drive to Tejon Street) Project and authorize advertisement for bids.

BACKGROUND INFORMATION: This project consists of installing 980 lineal feet of 6-inch wastewater pipe, constructing four wastewater manholes, reconnecting fourteen wastewater laterals, and other incidental and related work, all as shown on the plans and specification for the above project. The locations of the affected homes are shown on the attached Exhibit A.

The existing wastewater laterals at these two areas connect to the wastewater trunk main in Lower Sacramento Road. The wastewater laterals run under the frontage road and planted median and then to the trunk main in Lower Sacramento Road. Recently, several home owners have experienced sewage blockage, and City crews have performed emergency repairs for these homes. City crews have found that roots from the existing trees in the median are migrating along the wastewater service laterals toward the homes and are collapsing the laterals.

Staff expects the other homes in the two areas will have the same problem. Staff is recommending the installation of a new 6-inch wastewater pipe in the frontage road to connect the existing wastewater laterals to existing wastewater pipes near the frontage road. This will eliminate the crossings of the laterals under the median. Staff will also work with the contractor to eliminate future root migration problems in this area.

The plans and specifications are on file in the Public Works Department.

FISCAL IMPACT: There will be a slight increase in the long-term maintenance of the added wastewater pipe and manholes. However, this project will also decrease the amount of maintenance required for service of the laterals in this area.

FUNDING AVAILABLE: Project Estimate: \$104,000
Planned Bid Opening Date: April 23, 2008

Richard C. Prima, Jr.
Public Works Director

Prepared by Lyman Chang, Senior Civil Engineer
RCP/LC/pmf
Attachment
cc: Purchasing Officer
Senior Civil Engineer Chang

Water Service Manager

APPROVED: _____
Blair King, City Manager

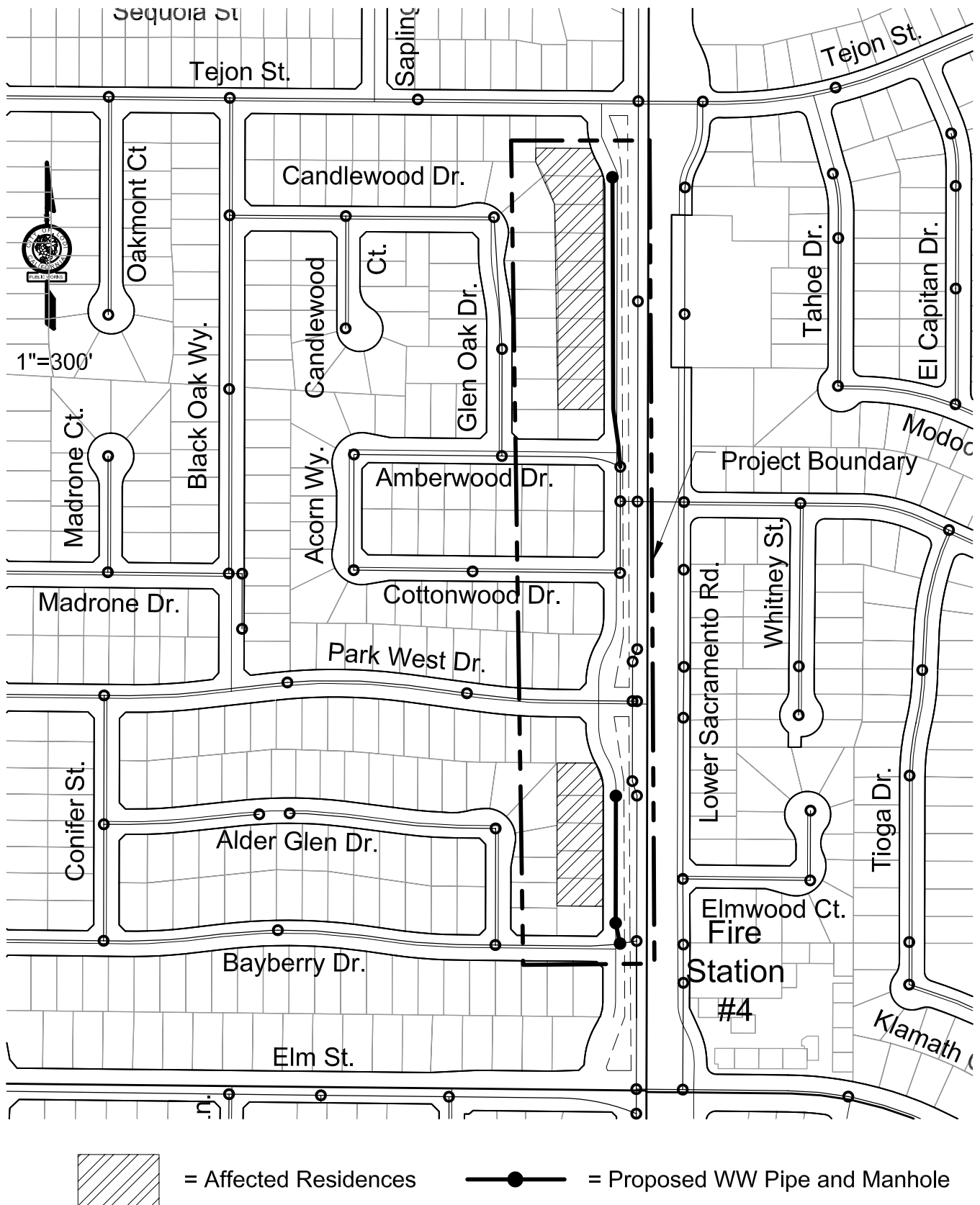


CITY OF LODI

PUBLIC WORKS DEPARTMENT

EXHIBIT A

Wastewater Pipe Improvements





CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Approve Specifications and Authorize Advertisement for Bids for 3,000 Tons of Asphalt Materials for Fiscal Year 2008/09

MEETING DATE: April 2, 2008

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Approve specifications and authorize advertisement for bids for 3,000 tons of asphalt materials for fiscal year 2008/09.

BACKGROUND INFORMATION: The asphalt materials purchase is needed to carry out the annual street maintenance program. This program is guided by the Pavement Management System used by the Streets and Drainage Division and is consistent with past practices. The street maintenance program includes a base failure repair program and routine pavement repairs at an estimated cost of \$180,000. This is a simple purchase of materials which has traditionally been bid on by the only two asphalt suppliers in the area.

The amount of asphalt used by the Streets and Drainage Division has been reduced by 25%, from 4,000 tons to 3,000 tons, over the past five years due to budget reductions. The amount of asphalt requested for fiscal year 2008/09 is the same tonnage of asphalt approved for fiscal year 2007/08, but the estimated increase in cost of \$24,000 over the last fiscal year is due to the escalating cost of asphalt. As the 2008/09 budget has not yet been finalized, should the full amount of funding needed not be made available; staff will reduce the amount of asphalt purchased to the level of funding.

Trucking services will be dealt with on an informal bid basis, as the individual costs will be less than \$5,000 per event. This has been the accepted past practice and will allow us to obtain services from multiple sources on an as-needed basis rather than relying on one provider for the entire season. The proposed operating budget has sufficient funds to cover these items.

FISCAL IMPACT: This budget expense will assist the Streets and Drainage Division in its continuing effort to maintain the City of Lodi's asphalt paving.

FUNDING AVAILABLE: The money for this material will be coming from the Street Operating Budget 2008/09.

Project Estimate: \$180,000
 Budgeted: 2008/09 fiscal year
 Planned Bid Opening Date: April 17, 2008

 Richard C. Prima, Jr.
 Public Works Director

Prepared by Curtis Juran, Assistant Streets and Drainage Manager
 RCP/GMB/CJ/dsg
 cc: George M. Bradley, Streets and Drainage Manager

APPROVED: _____
 Blair King, City Manager



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Rejecting the Low Bid and Awarding the Purchase of a Self Propelled Mini Digger Derrick to the Lowest Responsive Bidder Utility Equipment Leasing Corporation of Sacramento, CA (\$119,574.45) (EUD)

MEETING DATE: April 2, 2008

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Adopt a resolution rejecting the low bid and awarding the purchase of a Self Propelled Mini Digger Derrick to the lowest responsive bidder Utility Equipment Leasing Corporation of Sacramento, CA in the amount of \$119,574.45.

BACKGROUND INFORMATION: On February 20, 2008, the City Council approved specifications and authorized advertisement for bids for the self propelled mini digger derrick.

The following bids were received and opened on March 13, 2008.

BIDDER	AMOUNT
UELC, Sacramento CA	\$119,574.45
Altec Industries, Dixon CA	\$115,978.87 *
Allquip Universal Inc, West Sacramento CA	No Bid
DUECO/UELC, Sacramento CA	No Bid

Note: The low bid is being rejected due to non-compliance with the bid specification.

Altec Industries of Dixon, California, submitted a bid proposal with a 250 degree rotating boom, the specifications required a continuous 360 degree rotating boom. Since the mini digger derrick will be used in limited access areas that contain fences, trees, garages and other obstructions, a continuous 360 degree rotating boom will allow electrical equipment to be moved into the work zone without moving the mini digger derrick numerous times.

Allquip Universal Inc., of West Sacramento, California, a representative for Tiiger, Inc., is currently redesigning the mini digger derrick and is not ready for market. They elected not to submit a bid proposal for this solicitation.

DUECO/UELC of Sacramento, California, a representative for Skylift, elected not to submit a bid proposal for this solicitation.

APPROVED: _____
Blair King, City Manager

The Department maintains approximately 65 miles of overhead power lines in backyards and/or areas that are not accessible by a conventional digger derrick truck. The Self Propelled Mini Digger Derrick will be used to install power poles, transformers or other electrical equipment in these limited access areas.

FISCAL IMPACT: A reduction in labor cost per utility pole installed/replaced is expected.

FUNDING: Cost of the purchase is \$119,574.45 and is included in the EUD 2007/08 budget in Account No. 1611201.

Kirk Evans, Budget Manager

George F. Morrow
Electric Utility Director

Prepared By: Barry Fisher, Construction/Maintenance Supervisor

GFM/BF/AMS/lst

RESOLUTION NO. 2008-_____

A RESOLUTION OF THE LODI CITY COUNCIL REJECTING THE LOW BID
AND AWARDING TO THE LOWEST RESPONSIVE BIDDER FOR THE
PURCHASE OF A SELF PROPELLED MINI DIGGER DERRICK

=====

WHEREAS, in answer to notice duly published in accordance with law and the order of this City Council, sealed bids were received and publicly opened on March 13, 2008 11:00 a.m. for the purchase of a self propelled mini digger derrick for the Electric Utility Department, described in the specifications therefore approved by the City Council on February 20, 2008; and

WHEREAS, said bids have been compared, checked, and tabulated and a report thereof filed with the City Manager as follows:

Altec Industries, Dixon, CA	\$115,978.87 *
Utility Equipment Leasing Corporation, Sacramento, CA	\$119,574.45

Note: The low bid is being rejected due to non-compliance with the bid specification.

WHEREAS, staff recommends that the City Council reject the low bid for non-compliance with the bid specification, and further recommends awarding the bid to the lowest responsive bidder, Utility Equipment Leasing Corporation, of Sacramento, California, in the amount of \$119,574.45.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby rejects the low bidder, Altec Industries, of Dixon, California, due to non-compliance with the bid specification; and

BE IT FURTHER RESOLVED that the award of the bid for the purchase of a self-propelled mini digger derrick for the Electric Utility Department is hereby awarded to the lowest responsive bidder, Utility Equipment Leasing Corporation, of Sacramento, California, in the amount of \$119,574.45.

Dated: April 2, 2008

=====

I hereby certify that Resolution No. 2008-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held April 2, 2008, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk

2008-_____



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Rejecting the Two Low Bidders and Awarding the Purchase of a Portable Self Contain Vacuum Excavation Unit to the Lowest Responsive Bidder Ditch Witch Equipment Company, Inc., of Sacramento, CA (\$58,082.66) (EUD)

MEETING DATE: April 2, 2008

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Adopt a resolution rejecting the two low bidders and awarding the purchase of a Portable Self Contained Vacuum Excavation Unit to the lowest responsive bidder Ditch Witch Equipment Company, Inc., of Sacramento, CA in the amount of \$58,082.66.

BACKGROUND INFORMATION: On February 20, 2008, the City Council approved specifications and authorized advertisement for bids for the Portable Self Contained Vacuum Excavation Unit.

The following bids were received and opened on March 13, 2008.

BIDDER	AMOUNT
Ditch Witch Equipment Company, Inc., Sacramento CA	\$58,082.66
Municipal Maintenance Equipment, Sacramento CA	\$74,424.88
Global Machinery West LLC, Sacramento CA	\$49,721.67 *
Allquip Universal Inc, West Sacramento CA	\$57,852.05 *

Note: The two lowest bidders are being rejected due to non-compliance with the bid specification.

The two lowest bidders, Global Machinery West LLC of Sacramento, CA and Allquip Universal Inc., of West Sacramento, CA submitted bid proposals with diesel engine sizes that did not comply with the specifications. In addition, Allquip Universal Inc., of West Sacramento, CA did not comply with the bid specifications requiring the unit be made-ready for a hydraulic boom that could be installed as needed by the City's fleet services division.

The Environmental Protection Agency's (EPA's) groundwater legislation requires any contaminated water to be contained and disposed of in an appropriate manner. Water that is pumped from electrical vaults or removed during excavation cannot enter storm drains that flow into the waterways. Any violation of this legislation could result in fines of \$10,000 or more. The Portable Self Contained Vacuum Excavation Unit will be used to remove the contaminated water, excavated material and transported to the appropriate disposal location.

Currently, Electric Utility Department (EUD) is using the Public Works vacuum excavator, the demand on this piece of equipment is increasing on a daily basis, which has resulted in

APPROVED: _____
Blair King, City Manager

inefficient utilization of staff and delays in the ability to complete work in a timely manner. It is recommended that a portable vacuum excavation unit be purchased.

FISCAL IMPACT: The proposed equipment will result in more efficient deployment of construction and maintenance staff.

FUNDING: Cost of the purchase is \$58,082.66 and is included in the EUD 2007/08 budget in Account No. 1611201.

Kirk Evans, Budget Manager

George F. Morrow
Electric Utility Director

Prepared By: Barry Fisher, Construction/Maintenance Supervisor

GFM/BF/AMS/lst

RESOLUTION NO. 2008-_____

A RESOLUTION OF THE LODI CITY COUNCIL REJECTING THE
TWO LOW BIDDERS AND AWARDING TO THE LOWEST RESPONSIVE
BIDDER FOR THE PURCHASE OF A SELF CONTAINED VACUUM
EXCAVATION UNIT

=====

WHEREAS, in answer to notice duly published in accordance with law and the order of this City Council, sealed bids were received and publicly opened on March 13, 2008 11:00 a.m. for the purchase of a portable self contained vacuum excavation unit for the Electric Utility Department, described in the specifications therefore approved by the City Council on February 20, 2008; and

WHEREAS, said bids have been compared, checked, and tabulated and a report thereof filed with the City Manager as follows:

Global Machinery West LLC, Sacramento, CA	\$49,721.67 *
Allquip Universal Inc., Sacramento, CA	\$57,852.05 *
Ditch Witch Equipment Company, Inc., West Sacramento, CA	\$58,082.66
Municipal Maintenance Equipment, Sacramento, CA	\$74,424.88

Note: The two low bidders are being rejected due to non-compliance with the bid specification.

WHEREAS, staff recommends that the City Council reject the two low bidders for non-compliance with the bid specification. Global Machinery West LLC of Sacramento, CA and Allquip Universal Inc of West Sacramento, CA submitted bid proposals with diesel engine sizes that did not comply with the specifications, in addition to non-field installed accessory equipment. Staff further recommends awarding the bid to the lowest responsive bidder, Ditch Witch Equipment Company, Inc., of West Sacramento, California, in the amount of \$58,082.66.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby rejects the two low bidders, Global Machinery West LLC, Sacramento, California and Allquip Universal Inc., Sacramento, California due to non-compliance with the bid specification; and

BE IT FURTHER RESOLVED that the award of the bid for the purchase of a portable self contained vacuum unit for the Electric Utility Department is hereby awarded to the lowest responsive bidder, Ditch Witch Equipment Company, Inc., of West Sacramento, California in the amount of \$58,082.66.

Dated: April 2, 2008

=====

I hereby certify that Resolution No. 2008-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held April 2, 2008, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk

2008-_____



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Authorizing Procurement of Padmounted Liquid Insulated Vacuum Switchgear and Accessories from Trayer Engineering Corporation of San Francisco, CA (not to exceed \$75,000) (EUD)

MEETING DATE: April 2, 2008

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Adopt a resolution authorizing procurement of Padmounted liquid insulated vacuum switchgear and accessories from Trayer Engineering Corporation (Trayer) of San Francisco, California in an amount not to exceed \$75,000.

BACKGROUND INFORMATION: The Reynolds Ranch Development Project requires the installation of three (3) additional padmounted, liquid-insulated, vacuum switchgears.

On October 3, 2007, the City Council awarded the initial procurement of padmounted switchgear for the Reynolds Ranch project to Trayer Engineering Corporation (Trayer) of San Francisco, CA. At that time, staff found the proposal by Trayer to be the least cost bid that was compliant with the technical specifications.

The Electric Utility Department (EUD) has been using Trayer padmounted switchgear in the City's electric distribution system for more than 10 years. According to EUD's construction group, the equipment has proven itself to be easy to operate, with minimum maintenance work and safe operation especially during emergency troubleshooting during dark, nighttime hours.

Items 1 and 2 had unit costs of \$20,314 and \$20,423 respectively in October 2007. Comparing to today's unit costs of \$21,300 and \$21,500, staff considers Trayer's March 2008 price quotes as reasonable. The procurement cost for these padmounted switchgears will be recovered from the developer under the City's Full Cost Recovery Rule as provided by EUD's Rules and Regulations Resolution No. 2006-234.

Due to the criticality and long delivery time of this equipment, staff recommends City Council approval of a resolution to award the procurement of three padmounted, liquid-insulated, vacuum switchgears to Trayer Engineering Corporation of San Francisco, California.

FISCAL IMPACT: Procurement cost will be recovered through the City's Full Cost Recovery Rule as per Resolution No. 2006-234 and will result in no cost to EUD.

FUNDING: The projected purchase amount is not to exceed \$75,000 and is included in the EUD 2007/08 budget in Account No. 161651.

Kirk Evans, Budget Manager

George F. Morrow, Electric Utility Director

APPROVED: _____
Blair King, City Manager

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING
THE PROCUREMENT OF PADMOUNTED LIQUID INSULATED VACUUM
SWITCHGEARS AND ACCESSORIES FROM
TRAYER ENGINEERING CORPORATION

=====

WHEREAS, Lodi Municipal Code §3.20.070 authorizes dispensing with bids for purchases of supplies, services, or equipment when it is in the best interest of the City to do so; and

WHEREAS, recent modifications in the Reynolds Ranch Development Project required the installation of three (3) additional padmounted, liquid-insulated, vacuum switchgear; and

WHEREAS, these project modifications cover the relocation of right of way and the extension of electric distribution system to power a water/sewer facility at the Phase II area; and

WHEREAS, these requested three additional padmounted switchgear were not included in the initial power equipment purchases for the Phase I Reynolds Ranch development; and

WHEREAS, on October 3, 2007, the City Council awarded the initial procurement of padmounted switchgear to Trayer Engineering Corporation for the Phase I development; and

WHEREAS, staff found the proposal of Trayer Engineering Corporation to be compliant with the technical specifications without any exceptions and are to be used for the Reynolds Ranch Development Project.

WHEREAS, staff recommends that the three padmounted, liquid-insulated, vacuum switchgear be purchased sole source from Trayer Engineering Corporation of San Francisco, California, which is the same company that successfully bid for the same equipment for the Reynolds Ranch Development Project Phase I.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby approves the purchase of three padmounted, liquid-insulated, vacuum switchgear and accessories for the Reynolds Ranch Development Project from Trayer Engineering Corporation of San Francisco, California in an amount not to exceed \$75,000.

Dated: April 2, 2008

=====

I hereby certify that Resolution No. 2008-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held April 2, 2008, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk

2008-



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Accepting Improvements at 495 North Guild Avenue
MEETING DATE: April 2, 2008
PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt a resolution accepting improvements at 495 North Guild Avenue.

BACKGROUND INFORMATION: Improvements at 495 North Guild Avenue have been completed in substantial conformance with the requirements of the improvement agreement between the City of Lodi and Kenneth W. Bowers, Delmar D. Batch and Doris Batch, as approved by the City Council on June 21, 2006, amended by City Council on July 18, 2007, and as shown on Drawings No. 006D003-01 through 006D003-05.

Project improvements included the installation of a master plan water main in the easement west of Guild Avenue, as well as street pavement improvements, curb, gutter and sidewalk, hydrants and street lights on Guild Avenue. The addendum to the improvement agreement provided the developer with an additional year to complete the improvements.

The streets to be accepted are as follows:

Streets	Length in Miles
Guild Avenue*	0.00
Total New Miles of City Streets	0.00

* The street dedication for Guild Avenue widens an existing street. This street dedication did not add additional miles to the City's street system.

This development is a portion of the Lodi Consolidated Landscape and Maintenance District No. 2003-01.

FISCAL IMPACT: Per Item 17, "Repair or Reconstruction of Defective Work", of the improvement agreement, the developer's warranty period of one year will begin on the date of Council acceptance. There will be a slight increase in long-term maintenance costs for public infrastructure, such as streets, water, wastewater and storm drain facilities, and City services, such as police and fire. The maintenance and replacement costs for a future traffic signal at Guild Avenue and Victor Road and the expected increases in park maintenance costs will be funded through the Lodi Consolidated Landscape and Maintenance District No. 2003-01.

FUNDING AVAILABLE: Not applicable.

 Richard C. Prima, Jr.
 Public Works Director

Prepared by Wesley K. Fujitani, Senior Civil Engineer
 RCP/WKF/pmf
 cc: City Attorney
 Senior Traffic Engineer
 Senior Engineering Technician

Senior Civil Engineer - Development Services
 Streets and Drainage Manager
 Building Official

APPROVED: _____
 Blair King, City Manager

RESOLUTION NO. 2008-_____

A RESOLUTION OF THE LODI CITY COUNCIL
ACCEPTING IMPROVEMENTS AT 495 NORTH GUILD
AVENUE INCLUDED IN THE IMPROVEMENT
AGREEMENT BETWEEN THE CITY OF LODI AND
KENNETH W. BOWERS, DELMAR D. BATCH, AND
DORIS BATCH

=====

The City Council of the City of Lodi finds:

1. That all requirements of the Improvement Agreement and Improvement Agreement Amendment between the City of Lodi and Kenneth W. Bowers, Delmar D. Batch, and Doris Batch have been substantially complied with. The improvements are shown on Drawings No. 006D003-01 through 006D003-05 on file in the Public Works Department and as specifically set forth in the plans and specifications approved by the City Council on June 21, 2006 and amended by the City Council on July 18, 2007.

2. The streets to be accepted are as follows:

Streets	Length in Miles
Guild Avenue*	0.00
Total New Miles of City Streets	0.00

* The street dedication for Guild Avenue widens an existing street. This street dedication did not add additional miles to the City's street system.

Dated: April 2, 2008

=====

I hereby certify that Resolution No. 2008-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held April 2, 2008, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk

2008-_____



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Accepting Improvements at 555 North Guild Avenue
MEETING DATE: April 2, 2008
PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt a resolution accepting improvements at 555 North Guild Avenue.

BACKGROUND INFORMATION: Improvements at 555 North Guild Avenue have been completed in substantial conformance with the requirements of the improvement agreement between the City of Lodi and Clarksons California Properties, as approved by the City Council on December 6, 2006 and as shown on Drawings No. 006D012-01 through 006D012-03.

Project improvements included the installation of street pavement improvements, curb, gutter and sidewalk, hydrants and miscellaneous storm drainage system improvements on Guild Avenue.

The streets to be accepted are as follows:

Streets	Length in Miles
Guild Avenue*	0.00
Total New Miles of City Streets	0.00

* The street dedication for Guild Avenue widens an existing street. This street dedication did not add additional miles to the City's street system.

This development is a portion of the Lodi Consolidated Landscape and Maintenance District No. 2003-01.

FISCAL IMPACT: Per Item 16, "Repair or Reconstruction of Defective Work", of the improvement agreement, the developer's warranty period of one year will begin on the date of Council acceptance. There will be a slight increase in long-term maintenance costs for public infrastructure, such as streets, water, wastewater and storm drain facilities, and City services, such as police and fire. The maintenance and replacement costs for a future traffic signal at Guild Avenue and Victor Road and the expected increases in park maintenance costs will be funded through the Lodi Consolidated Landscape and Maintenance District No. 2003-01.

FUNDING AVAILABLE: Not applicable.

 Richard C. Prima, Jr.
 Public Works Director

Prepared by Wesley K. Fujitani, Senior Civil Engineer
 RCP/WKF/pmf
 cc: City Attorney
 Senior Civil Engineer - Development Services
 Senior Traffic Engineer
 Streets and Drainage Manager
 Senior Engineering Technician
 Building Official

APPROVED: _____
 Blair King, City Manager

RESOLUTION NO. 2008-_____

A RESOLUTION OF THE LODI CITY COUNCIL
ACCEPTING IMPROVEMENTS AT 555 NORTH GUILD
AVENUE INCLUDED IN THE IMPROVEMENT
AGREEMENT BETWEEN THE CITY OF LODI AND
CLARKSON CALIFORNIA PROPERTIES

=====

The City Council of the City of Lodi finds:

1. That all requirements of the Improvement Agreement between the City of Lodi and Clarkson California Properties have been substantially complied with. The improvements are shown on Drawings No. 006D012-01 through 006D012-03 on file in the Public Works Department and as specifically set forth in the plans and specifications approved by the City Council on December 6, 2006.

2. No new City streets were dedicated as part of this project.

Dated: April 2, 2008

=====

I hereby certify that Resolution No. 2008-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held April 2, 2008, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk

2008-_____



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Authorizing City Manager to Execute an Amendment to the Transit Operations Contract with MV Public Transportation, Inc., Extending the Contract through August 3, 2008 and Additional Amendments, as Necessary, for Two Additional Months

MEETING DATE: April 2, 2008

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt a resolution authorizing the City Manager to execute the attached amendment to the Transit Operations Contract with MV Public Transportation, Inc. (MV), extending the contract through August 3, 2008 and any additional amendments necessary for an additional two months.

BACKGROUND INFORMATION: At its March 5 City Council meeting, the Council approved advertising for a Request for Proposals (RFP) for transit operations. At Council's direction, the RFP was amended to extend the proposal period to 45 days. This extension of the proposal submittal date pushed the dates to review and interview into May and to submit to Council a recommended Contractor for the next Operations contract into late May or early June. This limits the amount of available time to implement a potential change in contractors by July 1, 2008. In light of this, staff is recommending an extension of the current contract until August 3 to allow sufficient time for start-up activities (such as hiring), should a change in contractor be made. The August 3 date was chosen because it is more convenient to change out the operation on a weekend due to the shortened operational day. The effective date of the new contract would be August 4, 2008 and would be changed in the RFP to reflect the delayed start.

Staff has contacted MV, the current contractor, regarding the extension. MV has notified the City that they are willing to extend the contract until August 3 and will honor the current FY 07/08 pricing for the duration of the term. The FY 07/08 pricing is as follows:

07/08 Dial-A-Ride Fixed Fee per Month:	\$24,596.00
07/08 Dial-A-Ride Cost per Vehicle Service Hour:	\$21.43
07/08 Fixed Route Fixed Fee per Month:	\$20,497.00
07/08 Fixed Route Cost per Vehicle Service Hour:	\$21.43

The actual cost to the City will depend on the number of hours operated between July 1 and August 3. The Fixed Fee amounts will apply in full for July and will be prorated for the month of August.

FISCAL IMPACT: The cost of operations has been included in the budget for the transit system. Failure to award the extension would result in a tighter timeline for the RFP currently out for proposals and would result in coordination and

APPROVED: _____
Blair King, City Manager

Adopt Resolution Authorizing City Manager to Execute an Amendment to the Transit Operations Contract with MV Public Transportation, Inc., Extending the Contract through August 3, 2008

April 2, 2008

Page 2

process timeline difficulties in ensuring the service would go uninterrupted July 1.

FUNDING AVAILABLE:

Transit operations are paid for utilizing Transportation Development Act funds, Federal Transit Administration Section 5307 funds, Measure K transit operations funds, and fare revenue. Funding is allocated in the annual budget process. No additional funding is required at this time.

Kirk Evans, Budget Manager

Richard C. Prima, Jr.
Public Works Director

Prepared by Tiffani M. Fink, Transportation Manager

RCP/TMF/pmf

Attachment

cc: Finance Director
Transportation Manager

**CITY OF LODI
CONTRACT AMENDMENT WITH MV PUBLIC
TRANSPORTATION, INC., FOR EXTENSION OF
CONTRACT SERVICES UNTIL AUGUST 3, 2008
24 South Sacramento Street**

CONTRACT AMENDMENT #5

CITY OF LODI, CALIFORNIA

THIS CONTRACT AMENDMENT #5 is made by and between the CITY OF LODI, State of California, herein referred to as the "City," and MV PUBLIC TRANSPORTATION, INC., herein referred to as the "Contractor."

WITNESSETH:

That the parties hereto have mutually covenanted and agreed, and by these presents do covenant and agree with each other, as follows:

1. The new contract termination date shall be August 3, 2008. All rates charged during the contract extension period from July 1, 2008 to August 3, 2008 shall be in accordance with the previously approved contract rates for Fiscal Year 07/08.
2. All other terms and conditions of the Contract shall remain unchanged and in full force and effect through and including the New Date of Termination as set forth above, including but not limited to the billing rates set forth on page 17 of the Contract under the provision entitled PAYMENTS TO CONTRACTOR: Basic Consideration.

IN WITNESS WHEREOF, the parties to these presents have hereunto set their hands the year and date written below.

MV Public Transportation, Inc.

CITY OF LODI, a municipal corporation

By: _____

By: _____

Blair King
City Manager

Title

Date: _____

Attest:

Randi Johl
City Clerk

(CORPORATE SEAL)

Approved as to Form:

D. Stephen Schwabauer
City Attorney



RESOLUTION NO. 2008-_____

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING AN AMENDMENT TO THE CONTRACT WITH MV PUBLIC TRANSPORTATION, INC.; AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT EXTENDING THE CONTRACT, AND FURTHER AUTHORIZING THE CITY MANAGER TO EXECUTE ADDITIONAL AMENDMENTS AS NECESSARY TO EXTEND THE CONTRACT FOR AN ADDITIONAL TWO MONTHS

=====

WHEREAS, on May 21, 2003, the City of Lodi entered into an agreement with MV Public Transportation, Inc.; and

WHEREAS, the contract with MV Public Transportation, Inc., will expire on June 30, 2008; and

WHEREAS, a Request for Proposals has been issued for Transit Operations; and

WHEREAS, staff recommends extending the current contract through August 3, 2008, to allow sufficient time for start-up activities, should a change in contractor be made.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the Amendment to the Contract with MV Public Transportation, Inc., for Transit Operations; and

BE IT FURTHER RESOLVED that the City Manager is hereby authorized to execute the Amendment extending the contract through August 3, 2008, on behalf of the City of Lodi; and

BE IT FURTHER RESOLVED that the City Manager is hereby authorized to execute additional amendments as necessary to extend the Contract an additional two months, if necessary to assure a smooth transition.

Dated: April 2, 2008

=====

I hereby certify that Resolution No. 2008-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held April 2, 2008, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk

2008-_____



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Authorizing City Manager to Execute EBMUD Protest Dismissal Agreement

MEETING DATE: April 2, 2008

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt a resolution authorizing the City Manager to execute a protest dismissal agreement with the East Bay Municipal Utilities District (EBMUD).

BACKGROUND INFORMATION: In 2007, the City filed a protest with the State Water Resources Control Board over the proposed extension of one of East Bay Municipal Utilities District's (EBMUD) Mokelumne River water rights. The protest process includes a time period in which the parties are expected to attempt to negotiate a resolution of the protest. In 2007, Council directed staff to seek to resolve Lodi's protest in a way that would allow Lodi to utilize its purchased water from the Woodbridge Irrigation District (WID) year-round rather than during the March thru October season as presently allowed.

Staff has worked with EBMUD and WID officials and has an offer from EBMUD to allow for up to 1,000 acre-feet of water to be delivered to Lodi during the winter season. The water would be counted toward our total annual amount of 6,000 acre-feet. In effect, EBMUD is agreeing to store the water for Lodi for subsequent release at no additional cost to Lodi. This agreement would be memorialized in an agreement between EBMUD and WID (as part of an agreement addressing the WID/Stockton water sale, similar to what was done in 2003 with the WID/Lodi sale) and a "protest dismissal" agreement between Lodi and EBMUD. The draft protest dismissal agreement is attached.

FISCAL IMPACT: There are no direct impacts; however, obtaining the ability to use our allocation year-round could mean substantial cost savings in sizing the water treatment plant, as well as providing operational efficiencies. In addition, resolving the protest will save tens of thousands of dollars in potential legal and engineering costs to pursue the protest through the State Water Board.

FUNDING AVAILABLE: Not applicable.

Richard C. Prima, Jr.
Public Works Director

RCP/PJF/pmf
Attachment

APPROVED: _____
Blair King, City Manager

SETTLEMENT AGREEMENT
East Bay Municipal Utility District – City of Lodi

This Settlement Agreement is entered into by and between the East Bay Municipal Utility District (EBMUD) and the City of Lodi (Lodi), hereinafter collectively referred to as the “Parties,” this ____ day of _____, 2008.

WHEREAS, EBMUD releases Regulated Base Supply water to Woodbridge Irrigation District (WID) pursuant to a series of agreements between the two agencies, including the Agreement entered into in 1965 and the Third Supplementary Agreement entered into in 2003; and

WHEREAS, on May 13, 2003, WID and Lodi entered into a Purchase Agreement (Lodi Purchase Agreement) under which, among other things, WID will provide to Lodi from March 1 through October 15, up to an annual average of 6,000 acre-feet of conserved water per annum out of WID’s pre-1914 water rights portion of its Regulated Base Supply; and

WHEREAS, one reason for the Third Supplementary Agreement was to resolve disagreement between EBMUD and WID over the provision of WID Regulated Base Supply water to Lodi for municipal purposes, and the disagreement and its resolution are referenced in the 13th and 14th Recitals to the Third Supplementary Agreement; and

WHEREAS, Provision 12 of the Third Supplementary Agreement between EBMUD and WID provides that WID shall not divert any Regulated Base Supply water after October 31st of any year; and

WHEREAS, Lodi has recently determined that the preferred alternative for enhancing its water supply is to construct surface water treatment works and deliver treated water to Lodi’s customers; and

WHEREAS, to facilitate its plans, Lodi wishes to receive 1,000 acre-feet of water out of WID’s pre-1914 water rights portion of its Regulated Base Supply for purposes of operating its proposed surface water treatment plant during the winter months from October 15 of one year through the end of February of the following year; and

WHEREAS, on January 17, 2008, to facilitate Lodi’s plans and allow an additional water sale to the City of Stockton, WID entered into the “First Amendment to Agreement for Purchase of Water from Woodbridge Irrigation District by City of Lodi” (First Amendment) under which, among other things, WID allowed Lodi to bank up to 42,000 acre feet of unused water until October 15, 2010 for later usage and to extend the term of the Lodi Purchase Agreement by four years, to October 15, 2047; and

Whereas, EBMUD and WID contemplate entering into a Fourth Supplementary Agreement to address issues regarding WID’s sale of water to the City of Stockton and provision of water to the City of Lodi; and

WHEREAS, on February 9, 2007, Lodi filed with the State Water Resources Control Board (SWRCB) a protest against EBMUD's petition to extend its Camanche Permit No. 10478 (Lodi Protest); and

WHEREAS, EBMUD wishes Lodi to dismiss the Lodi Protest; and

WHEREAS, in return for Lodi dismissing its protest against EBMUD's Camanche extension, EBMUD is willing to amend its agreements with WID to allow and provide up to 1,000 acre-feet of water out of WID's Regulated Base Supply from October 15 to the end of February, thereby allowing WID to in turn provide said water to Lodi during the winter period (October 15 to the end of February) pursuant to the Lodi Purchase Agreement as amended.

NOW, THEREFORE, THE PARTIES DO AGREE AS FOLLOWS:

1. As provided below in Section 2, EBMUD agrees that upon receiving a written request from WID, EBMUD will provide up to 1,000 acre-feet from the pre-1914 water rights portion of WID's Regulated Base Supply over the period from October 15 of one year through the end of February of the following year for purposes of providing winter water to the City of Lodi pursuant to the agreements between WID and Lodi. This commitment will not commence until EBMUD and WID enter into a Fourth Supplementary Agreement.
2. Such winter flows when requested by WID shall be deducted from the quantity of Regulated Base Supply water which WID is entitled to receive and divert under its agreements with EBMUD for the following March 1 through October 15 period. These deductions will be made whether or not Lodi takes delivery of the water and will be triggered by WID's request. Once started, such winter flow shall be at a uniform rate. WID and EBMUD shall meet and confer in a timely manner to determine an actual winter flow schedule if EBMUD or WID wishes to modify the uniform flow schedule. Requests to modify the uniform schedule shall not exceed one per month during this winter period.
3. Within ten (10) business days from execution of this Agreement, or execution of the 4th Supplemental Agreement between EBMUD and WID, whichever is later, Lodi shall dismiss its protest of EBMUD's Camanche permit (Application 10478) time extension petition and submit a letter to the SWRCB requesting the dismissal of the Lodi Protest. Lodi will not take any action to oppose EBMUD's petition to extend its Camanche Permit.
4. In the event that Lodi is not able to use the full extent of its contract water under the Lodi Purchase Agreement and its amendments, and Lodi elects not to bank said unused water under the terms of the Purchase Agreement and amendments, Lodi agrees to pursue with WID any necessary agreements to allow the sale to EBMUD of any unused water provided by the Lodi Purchase Agreement and amendments. The purpose of such agreements would be to allow EBMUD the

right to purchase Lodi's unused water at a price and terms to be determined between Lodi and EBMUD.

IN WITNESS WHEREOF, the Parties hereto have executed this Settlement Agreement as of the day and year first above written by their respective officers thereunto first duly authorized.

EAST BAY MUNICIPAL UTILITY DISTRICT

By _____
President

By _____
Secretary

CITY OF LODI

By _____
Blair King
City Manager

ATTEST:

By _____
Randi Johl
City Clerk

APPROVED AS TO FORM:

By _____
D. Stephen Schwabauer
City Attorney

RESOLUTION NO. 2008-_____

A RESOLUTION OF THE LODI CITY COUNCIL
AUTHORIZING THE CITY MANAGER TO EXECUTE A
PROTEST DISMISSAL AGREEMENT WITH THE EAST
BAY MUNICIPAL UTILITIES DISTRICT

=====

WHEREAS, in 2007, the City of Lodi filed a protest with the State Water Resources Control Board over the proposed extension of one of the East Bay Municipal Utilities District's Mokelumne River rights; and

WHEREAS, the protest process includes a time period in which the parties are expected to attempt to negotiate a resolution of the protest; and

WHEREAS, City Council directed staff to seek to resolve the protest in a way that would allow the City of Lodi to utilize its purchased water from Woodbridge Irrigation District year-round rather than during the currently allowed March thru October season; and

WHEREAS, the East Bay Municipal Utilities District has offered to allow up to 1,000 acre-feet of water to be delivered to the City of Lodi during the winter season; and

WHEREAS, this agreement would be memorialized in an agreement between the East Bay Municipal Utilities District and the Woodbridge Irrigation District and a protest dismissal agreement between the City of Lodi and the East Bay Municipal Utilities District.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute a Protest Dismissal Agreement with the East Bay Municipal Utilities District that include provisions for winter season water for the City of Lodi.

Dated: April 2, 2008

=====

I hereby certify that Resolution No. 2008-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held April 2, 2008, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk

2008-_____



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Adopting the Proposed Funding Targets for City of Lodi and City of Galt for the Federal Transit Administration Section 5307 Funding for the Lodi Urbanized Area (Federal Fiscal Years 2008-2012)

MEETING DATE: April 2, 2008

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt a resolution approving the Federal Transit Administration (FTA) funding targets for the City of Lodi and the City of Galt for Federal Fiscal Years 2008 through 2012.

BACKGROUND INFORMATION: With the 2000 Census, the Lodi Urbanized Area boundaries were redrawn to include the City of Galt, as well as a portion of Sacramento and San Joaquin Counties. Along with this designation was the added need to coordinate with the City of Galt to determine an equitable split in the FTA Section 5307 for Transit that is appropriated to the Lodi Urbanized Area.

The City of Lodi and the City of Galt have been working with the San Joaquin Council of Governments, Sacramento Council of Governments and Sacramento County on an on-going basis to share the Federal Transit Administration funding. These targets cover all 5307 funding in the urbanized area through the anticipated update and release of the 2010 census data. The City of Galt is scheduled to adopt the same funding targets at their April 1st City Council meeting. The proposed Apportionment Funding Split Plan is attached.

The proposed funding targets allow for sufficient funding for the Transit program to reasonably meet our anticipated needs. Actual funding received in any year may vary from the targets due to changes in the apportionment amounts from the FTA, carryover from prior years, de-obligated grants or the inclusion of additional funding (such as CMAQ) which is transferred to the 5307 program at the time of award to facilitate easier grants management. The funding targets as included should result in a consistent funding allocation which maintains revenue at a higher level than previously received.

FISCAL IMPACT: Agreement on the funding targets will allow the City of Lodi to claim and receive Federal Transit Administration funding in a timely manner. These funds will pay for on-going operations and upcoming capital needs.

FUNDING AVAILABLE: None required.

Richard C. Prima, Jr.
Public Works Director

Prepared by Tiffani M. Fink, Transportation Manager
RCP/TMF/pmf
Attachment
cc: Transportation Manager

APPROVED: _____
Blair King, City Manager

RESOLUTION NO. 2008-_____

A RESOLUTION OF THE LODI CITY COUNCIL
APPROVING FEDERAL TRANSIT ADMINISTRATION
FUNDING TARGETS FOR CITY OF LODI AND CITY OF
GALT FOR FEDERAL TRANSIT ADMINISTRATION
SECTION 5307 FUNDING FOR LODI URBANIZED AREA,
FEDERAL FISCAL YEARS 2008-2012

=====

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the Federal Transit Administration Funding Targets for the City of Lodi and the City of Galt (Lodi estimated 79%, and Galt 21%) for Federal Transit Administration Section 5307 Funding for the Lodi Urbanized Area, Federal Fiscal Years 2008 through 2012, as shown on Exhibit A attached.

Dated: April 2, 2008

=====

I hereby certify that Resolution No. 2008-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held April 2, 2008, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk

2008-_____

Lodi/Galt Federal Transit Administration Urban Area Apportionment Funding Split Plan

		FFY 2007		FFY 2008		FFY 2009		FFY 2010		FFY 2011		FFY 2012	
		<i>Actual</i>		<i>Actual</i>		<i>Projected</i>		<i>Projected</i>		<i>Projected</i>		<i>Projected</i>	
Apportionment		\$1,345,727		\$1,459,486		\$1,552,364		\$1,552,364		\$1,552,364		\$1,552,364	
Amount Claimed		\$1,293,613		\$1,511,250 **									
Agreed	Lodi	\$1,021,954	79%	\$1,152,994	79%	\$1,226,368	79%	\$1,226,368	79%	\$1,226,368	79%	\$1,226,368	79%
Distribution	Galt	\$271,659	21%	\$306,492	21%	\$325,996	21%	\$325,996	21%	\$325,996	21%	\$325,996	21%



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Approving the City of Lodi Arts & Cultural 2007-08 Grant Funding, as Approved by the Lodi Arts Commission, and Appropriating Funds (\$50,000)

MEETING DATE: April 2, 2008

PREPARED BY: Deanie Bridewell, Events/Arts Coordinator

RECOMMENDED ACTION: Adopt resolution approving the City of Lodi Arts & Cultural 2007-08 grant funding, as approved by the Lodi Arts Commission, and appropriating funds in the amount of \$50,000.

BACKGROUND INFORMATION: Lodi's Division of Arts & Culture grants were approved at the Lodi Arts Commission (LAC) meeting on Wednesday, March 12, 2008. The application deadline for non-profit organizations to turn in their grant requests was January 25. Seven grant applications were turned in. After the grants were received and screened, a five-member panel from the LAC reviewed and scored the grants. Members of the LAC were sent grant summaries to review and asked to vote on them at their meeting on March 12. All seven grants were approved.

FISCAL IMPACT: Same as prior years, no additional impact.

FUNDING AVAILABLE: \$50,000.00

Kirk Evans, Budget Manager

James M. Rodems
Community Center Director

APPROVED: _____
Blair King, City Manager

**LODI ARTS COMMISSION PROJECT GRANTS
2008-2009 PROGRAM CYCLE
SUMMARY OF GRANT APPLICATIONS**

Group Name: Changing Faces Theatre Co. (CFTC)

Art Form: Theatre

Grant Request: \$25,000.00

Project Budget: \$85,140.00

Previous Funding: 2006-07 and 2007-08

Recommended for Funding for 2008 - 09: YES Award: \$16,952.00

Project Description: “We have chosen Peter Pan and Wendy for our summer 2008 production.

The play is a wonderful new adaptation of J. M. Barrie’s 1911 novel: playwright Doug Rand has stayed close to the original work in crafting his script, and the resulting play is a delightful celebration of the imagination and enthusiasm of youth. We are excited about staging a production of this classic work of children’s literature, which is a favorite of many children and adults.”

Benefit to the Community: “CFTC’s program is both fun and demanding. We offer an opportunity to study all aspects of presenting a theatrical production - the performance, technical, and business facets - and require Company members, in return, to commit to high standards of personal responsibility and teamwork. Our cast fee (tuition) is waived for students who cannot afford it to ensure that lower-income students are not barred by cost from participating in the program. We are committed to fostering interest in the performing arts in younger students. Our program is open to elementary school students: all those who audition are cast in the pre-show, a short play offered before the main production each evening. Student directors write and direct the pre-show.”

Group Name: Lodi Community Band (LCB)

Art Form(s): Musical & Educational Enrichment Performance

Grant Request: \$5,000.00

Project Budget: \$ 7,800.00

Previous Funding: 2007 - 08 mini grant \$1,000.00

Recommended for Funding for 2008-09: YES Award: \$5,000.00

Project Description: “The LCB will present a nationally known musical organization or a clinician of national stature. To do this, we have been in contact with the Washington D.C. Herald Trumpets, The Fort Myer, Virginia Old Guard Fife and Drum Corps, and nationally known clinicians who would perform with the band and provide clinics for our local students at a school site. Because of scheduling constraints the concert would be held in the 2008-09 time frame at Hutchins Street Square. The performance and clinic would provide an educational and cultural enrichment for the entire Lodi community. The Delta College Fine Arts Department will provide rehearsal space, sheet music and Music Library resources.”

Benefit to the Community: “The benefit to the community will be an opportunity to hear a world-class performing group or individual and for students to experience a master-class musician.”

Group Name: Lodi Central Valley Youth Symphony (CVYS)

Art Form(s): Music

Grant Request: \$6,048.00

Project Budget: \$ 11,398.00

Previous Funding: 2007 - 08, - 2005 - \$5120; 2004 mini \$1,500; 2004 \$5,000; 99-00-\$3,000.00; 98-99- \$4,800.00 plus \$1,000.00 special technical grant; 97-98-\$3,000.00; 96-97-\$2,000.00; 95-96--\$2,000.00; 94-95--\$1,000.00; 93-94--\$350.00

Recommended for funding 2008 - 09: YES Award: \$6,048.00

Number of Active Members: 80 students; 6 staff

Admission Charged: Yes

Project Description: “This project was created to honor the seniors of our community through music. The CVYS wind and string quartets will perform concerts at three local convalescent hospitals on Saturday, February 7, 2009. These three concerts will be performed to meet the needs of those unable to travel to another location to enjoy symphonic music and will be free to all in attendance. Our main concert will be held on Sunday, February 8, 2009 at 3 p.m. performing at HSS. This concert will be free to those under 18 and over 55 years of age.”

Benefit to the Community: “These planned concerts will give all of the senior members of our community a change to enjoy symphonic music. This grant proposal will also make this music available to those who cannot attend a concert by bringing the concert to them. Research shows that music enhances of lives. This project gives an opportunity to our young musicians to give to an important part of their community while our seniors can enjoy interacting with our young musicians.”

Group Name: Stockton Symphony Association - “Steppin Out!”

Art Form(s): Music

Grant Request: \$2,500.00

Project Budget: \$ 58,219.00

Previous Funding:

Recommended for funding 2008 - 09: YES Award: \$2,500.00

Admission Charged: Yes

Project Description: “Steppin’ Out! Is a live musical experience for 4th - 5th graders. Students are taken on a “Sonic Adventure” featuring Copland’s “Billy the Kid”, music from Harry Potter, artist Christina Mok, and more. Students receive a CD of concert music for use in the classroom as well as the Steppin’ Out Times, which features information regarding musical program, orchestra, and concerts. Through this wonderful program, children will learn social skills, math and science, history, language arts, and of course musicianship.”

Benefit to the Community: “Music teaches appropriate social interaction by creating a sense of community through group music making. The appreciation of diversity springs from sharing and making membership in the group real and positive. In an area as culturally diverse as San Joaquin County, tolerance is an important issue. Giving children these experiences allows us to not only create a better community in the present, but also for the future.”

Group Name: Tiger Pause

Art Form(s): Literature

Grant Request: \$465.00

Project Budget: \$ 623.00

Previous Funding: NO

Recommended for funding 2008 - 09: YES **Award:** \$500.00

Admission Charged: N/A

Project Description: “For the 2007-2008 school year, Tiger Pause is guided by Editor-in-chief Dominique Rodriguez and assistant editor Jordan King, with the assistance from the school’s journalism advisor Roger Woo. The magazine accepts entries from any Tokay High School student. The goal for the 2008 edition of Tiger Pause is a commercial quality magazine to rival any publication in the region. Funds are desired to off-set printing costs in order to increase the “rack” appeal of the publication and provide validation of the high quality of the student artwork contained therein. Tiger Pause will be printed and sold to the student body and the general public.”

Benefit to the Community: “Many teenagers complain and whine when presented with an assignment that has to do with writing and any type of self-expression that has to do with anything connected to school work. By making Tiger Pause available, students who enjoy writing, artwork and other type of artistic expression will feel encouraged to keep enjoying such activities. Tiger Pause is the first opportunity for many students to be published.”

Group Name: Troupe Cabana Studio

Art Form(s): Musical Theatre

Grant Request: \$25,000.00

Project Budget: \$ 44,000.00

Previous Funding: 2004-05, 2003 - 04, 2003 -03

Recommended for funding 2008 - 09: YES **Award:** \$16,000.00

Admission Charged: Yes

Project Description: “Directed by Nicole Warren and produced by Colleen Lindsay, “Joseph and the Amazing Technicolor Dreamcoat” is an ideal musical to stage in the CPL Theatre at HSS. It will involve a cast of 100 performers auditioned locally and will include youth and adults. The ensemble also features a children’s chorus. This is a spectacular musical, appealing to a wide range of audiences. The music covers many genres and dance represented through tap, Vaudeville, western hoe-down, and salsa. The message of “Joseph and the Amazing Technicolor Dreamcoat” is one of hope and friendship.”

Benefit to the Community: “When we began Troup Cabana Productions 18 years ago, our goal was to give children and youth a positive experience of excellence in the performance arts. As artists and performers we, it has been disappointing to see the deterioration of theatre, music and dance curriculum in the schools and communities. The availability of an enriching and challenging musical opportunity for families is rare today. Although Troupe Cabana Productions has been reorganized to the Troupe Cabana Dance Studio, our objective remains the same. We will continue to look for ways to offer high quality performing arts experiences to the members of our community, both in the classroom and on the stage.”

Group Name: The Arts at St. John's

Art Form(s): Music

Grant Request: \$2,000.00

Project Budget: \$4,025.00

Previous Funding: 2007-08

Recommended for funding 2008-09: YES **Award:** \$2,000.00

Admission Charged: Yes, but amount not listed.

Number of Active Members: not listed

Scope of Project: "One of our concerts this season is Andy McKee. We would like to see Andy join our venue here at The Arts at St. John's for his artistic ability; his youth and international appearances bring diversity to our community. Our plans are for October 4, 2008. We offer a diverse group of concerts to appeal to all types of audiences. We currently have Vino Farms and Petrel Mark International as sponsors."

Benefit to Community: "Bringing local and out of town audiences to the area to experience top entertainment for all ages. Our concerts are for all audiences; with the diversity we portray in our schedule we have something for everyone. Our general admission prices are reasonable and we offer student and senior discounts on most concerts. Our facilities accommodate all ages and are handicap accessible."

RESOLUTION NO. 2008-_____

A RESOLUTION OF THE LODI CITY COUNCIL
APPROVING THE CITY OF LODI ARTS & CULTURAL
2007-08 GRANT FUNDING, AS APPROVED BY THE
LODI ARTS COMMISSION, AND FURTHER
APPROPRIATING FUNDS

=====

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby approves the City of Lodi's Arts & Cultural 2007-08 Grant Funding as approved by the Lodi Arts Commission on Wednesday, March 12, 2008; and

BE IT FURTHER RESOLVED that funds in the amount of \$50,000 be appropriated from the General Fund as set aside for these grants.

Dated: April 2, 2008

=====

I hereby certify that Resolution No. 2008-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held April 2, 2008, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk

2008-_____



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt a Resolution Declaring the National Incident Management System (NIMS) as the Standard for Emergency Response in the City of Lodi (FD)

MEETING DATE: April 2, 2008

PREPARED BY: Michael E. Pretz, Fire Chief

RECOMMENDED ACTION: That Council adopts a resolution declaring the National Incident Management System (NIMS) as the standard for Emergency Response for the City of Lodi.

BACKGROUND INFORMATION: The Local Hazard Mitigation Plan (LHMP) and the National Incident Management System (NIMS) are two federal programs in which the City of Lodi is actively participating. The City of Lodi has already adopted the Local Hazard Mitigation Plan as part of San Joaquin County's Local Hazard Mitigation Plan (Resolution # 2008-14 February 6, 2008).

As a part of its Homeland Security efforts, the Federal Government has issued a new National Incident Management System (NIMS) to be used to organize response to catastrophic events in the United States. The State of California has issued guidance that local government entities must provide training in the new system to employees who would respond to a disaster. The City of Lodi Fire Department and Police Department has organized and offered classes in NIMS to all City employees. Both departments, as well as several other City departments are 100% compliant. NIMS training is also available on-line and through the classes provided by the County.

The State is also requiring local government bodies, including special districts, to formally adopt NIMS for organizing multi-agency disaster response. Failure to adopt the National Incident Management System would place the City out of compliance with State and Federal requirements.

FISCAL IMPACT: None

FUNDING AVAILABLE: None

Michael E. Pretz, Fire Chief

MEP/lh
Attachment
cc: City Attorney

APPROVED: _____
Blair King, City Manager

RESOLUTION NO. 2008-_____

A RESOLUTION OF THE LODI CITY COUNCIL
DECLARING THE NATIONAL INCIDENT MANAGEMENT
SYSTEM (NIMS) AS THE STANDARD FOR EMERGENCY
RESPONSE IN THE CITY OF LODI

=====

WHEREAS, the President in Homeland Security Directive #5 directed the Department of Homeland Security to develop and administer a National Incident Management System (NIMS) which would provide a consistent nationwide approach by federal, state, local, and tribal governments to prevent, prepare for, respond to, and recover from disasters regardless of cause or size; and

WHEREAS, California pioneered the development of standardized incident management systems to respond to a variety of catastrophic disasters; and

WHEREAS, the California Standardized Emergency Management System (SEMS) substantially meets the objectives of the National Incident Management System; and

WHEREAS, the Governor of the State of California has directed his Office of Emergency Services and Office of Homeland Security to develop a program to integrate the National Incident Management System into the State's Emergency management System.

NOW, THEREFORE, BE IT RESOLVED by the Lodi City Council that it does hereby adopt the National Incident Management System in accordance with the guidelines and directives of the State of California and directs City employees to use this system for future emergency preparedness, response, and recovery operations.

Date: April 2, 2008

=====

I hereby certify that Resolution No. 2008-_____ was passed and adopted by the Lodi City Council in a regular meeting held April 2, 2008, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk

2008-_____



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Ratifying Employment Agreement Entered into Between City Manager Blair King and Director of Public Works F. Wally Sandelin

MEETING DATE: April 2, 2008

PREPARED BY: City Manager

RECOMMENDED ACTION: Adopt resolution ratifying the terms of the employment agreement entered into between City Manager Blair King and Director of Public Works F. Wally Sandelin.

BACKGROUND INFORMATION: Lodi Municipal Code Section 2.12.060 vests with the City Manager the power to select subordinate staff. Based upon an open and competitive selection process, the City Manager selected F. Wally Sandelin to serve as the Director of Public Works.

The City Manager wishes to provide the terms and conditions related to employment that extends beyond the Manager's authority and therefore requires ratification by the City Council. Of particular interest to the Council is the following:

- * The proposed Employment Agreement provides for a six-month severance if the Director of Public Works is terminated without cause; and
- * The second year of the agreement allows for a ten percent (10%) pay differential between the Public Works Director and the Public Works Department's next highest paid executive or mid-management position (this does not necessarily mean a 10% pay increase), plus up to a five percent (5%) increase at the Manager's discretion.

As has been previously indicated to City Council, it is the Manager's intention to have all members of the Executive Management Team under a "standard employment agreement."

A copy of the Employment Agreement is attached.

FISCAL IMPACT: A well-qualified, competent Public Works Director is a significant asset. The first year's salary falls within the current approved range for the position. The salary represents a five percent (5%) increase for Mr. Sandelin.

FUNDING AVAILABLE: Funding is available for the Director of Public Works in the Public Works Department budget.

Kirk Evans, Budget Manager

Blair King
City Manager

BK
Attachment

APPROVED: _____
Blair King, City Manager

RESOLUTION NO. 2008-_____

A RESOLUTION OF THE LODI CITY COUNCIL
RATIFYING THE EMPLOYMENT AGREEMENT
ENTERED INTO BETWEEN CITY MANAGER
AND PUBLIC WORKS DIRECTOR

=====

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby ratify the Employment Agreement entered into between City Manager Blair King and Public Works Director F. Wally Sandelin, as shown on Exhibit A attached hereto.

Dated: April 2, 2008

=====

I hereby certify that Resolution No. 2008-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held April 2, 2008, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk

2008-_____

EMPLOYMENT AGREEMENT

**Executive Management
Exempt Service**

Public Works Director

THIS AGREEMENT entered into on _____, by and between the CITY OF LODI, a municipal corporation (hereinafter referred to as "City") and F. Wally Sandelin, an individual (hereinafter referred to as "Employee").

WHEREAS, City desires to employ the services of Employee as Public Works Director; and

WHEREAS, Employee desires to serve as Public Works Director for the City beginning April 7, 2008; and

WHEREAS, City and Employee agree in writing to the terms and conditions of employment as Public Works Director; and

WHEREAS, Employee and City agree and acknowledge that Employee's employment as Public Works Director is his sole and exclusive employment with City, and that their employment relationship is governed solely and exclusively by this Agreement.

NOW, THEREFORE, in consideration of the promises and conditions set forth herein, the parties mutually agree as follows:

1. **Employment:** City agrees to employ Employee as Public Works Director, in accordance with the following provisions:

(a) Employee shall serve as Public Works Director, and shall be responsible for managing and directing the operations of the Public Works Department.

(b) Employee shall perform his duties to the best of his ability in accordance with the highest professional and ethical standards of the profession and shall comply with all general rules and regulations established by the City.

(c) Employee shall not engage in any activity which is or may become a conflict of interest, prohibited contract, or which may create an incompatibility of office as defined under California law. Employee shall comply fully with his reporting and disclosure obligations under regulations promulgated by the Fair Political Practices Commission (FPPC).

(d) Employee agrees to remain in the exclusive employ of the City during the term of this Agreement. Employee shall dedicate his full energies and qualifications to his employment as Public Works Director, and shall not engage in any other employment except as may be specifically approved in writing in advance by the City Manager.

2. **Maintenance of Professional Expertise:** To promote continued professional growth and benefit to the City, Employee shall, at City expense and consistent with budgetary constraints: maintain professional licenses, maintain membership in professional organizations related to Public Works administration and related professional disciplines; attend workshops, seminars and other similar activities designed to advance Employee's professional development; and, represent the City in professional associations and other organizations.

3. **Term:** The term of the Agreement shall be for a period of two (2) years, commencing April 7, 2008, until April 6, 2010 unless terminated by either party in accordance with the provisions set forth in Paragraph 4. The Agreement (or any renewal of this Agreement) shall be automatically renewed, unless either party gives a written notice that the contract will not be renewed at least six months prior to the expiration of this Agreement (or any subsequent renewal). In the event this written notice is given, Employee shall not be entitled to severance pay as provided in Paragraph 5 herein.

4. **Resignation or Termination:**

(a) Employee may resign at any time and agrees to give City at least 30 days advance written notice of the effective date of his resignation. In such event, Employee shall not be entitled to severance pay as provided in Paragraph 5 herein.

(b) The parties recognize and affirm that Employee may be terminated by the City Manager with cause, which shall mean gross insubordination, incapacity, dereliction of duty, conviction of a crime involving acts of moral turpitude or involving personal gain to him, or material breach of this Agreement. In such event, Employee shall not be entitled to severance pay as provided in Paragraph 5 herein.

(c) The parties recognize and affirm that Employee may be terminated by the City Manager without cause. In such event, Employee shall be entitled to severance pay as provided in Paragraph 5 herein.

(d) In the event of termination and in recognition of Employee's professional status and integrity, Employee and the City Manager shall prepare a joint public statement to be made by the City Manager. This employment relationship is based on the mutual respect between the parties and a desire to maintain the highest degree of professionalism. In communicating with third parties about the parties' employment relationship and the circumstances under which it may have been severed, the parties shall (a) protect and advance their mutual respect and professionalism, and (b) refrain from making statements that would negatively impact either party.

(e) Employee may choose to resign or retire his office instead of being terminated if agreed to by the City Manager. In such an event the public announcement, as provided for in Paragraph 4 (d) above, will note Employee has resigned or retired. The provisions of Paragraph 4 (d) shall remain applicable.

5. **Severance Pay:** If Employee is terminated by the City Manager without cause while still willing and able to perform the duties of Public Works Director, City agrees to pay Employee a cash payment equal to six (6) months' aggregate salary and the City's cost of six (6) months' health insurance benefits only (no other benefits will be accrued or converted to a cash equivalent) subject to reduction as set forth in this Paragraph 5. The severance payment will be paid in installments coinciding with the City's regular paydays during the severance period and subject to customary withholdings. In the event Employee retains new employment during the six-month severance period, any remaining severance payment will be forfeited as of the date Employee begins his new employment. To be eligible for such severance pay,

Employee shall fulfill all of his obligations under this Agreement, and shall sign an Acknowledgment and Release of Claims against the City in a form acceptable to the City Attorney. Payment under this Paragraph 5 will release City from any further obligations under this Agreement, or any other transaction between the parties

6. **Employment as Department Head is Sole Employment with City:** Employee further represents and acknowledges that his employment as Public Works Director is his sole and exclusive employment with the City. Employee has no right to any other exempt position with the City or to any employment in the classified service.

7. **Salary:**

- (a) City agrees to pay Employee \$138,750 in salary per annum for his services, payable in installments at the same time as other employees of the City are paid and subject to customary withholding.
- (b) After one year, and subject to a satisfactory performance evaluation, a salary increase will be granted by the City Manager to establish a ten percent (10%) differential between the public works director and the public works department's next highest paid executive or mid management position, including incentive pay ("Second Year's Base Salary"). In addition, the City Manager will have discretion to grant an additional five percent increase over the Second Year's Base Salary.

8. **Benefits:** The City shall provide Employee the same benefits as provided to management employees in accordance with the terms of the Executive Management Statement of Benefits dated 1998 and as they may be amended, increased or decreased, except as modified herein. These are the sole and exclusive benefits to be provided to Employee. Any improvement or modification of such benefits may only be made by written instrument signed by the City Manager. As used herein, benefits include, but are not limited to: vacation, sick leave, holidays, administrative leave, retirement, vision insurance, health insurance, dental insurance, long-term disability insurance and life insurance. Employee's vacation leave shall be calculated as if Employee was in his fifteenth year of employment (i.e., Employee shall accrue twenty days of vacation per year increasing from there as provided in the Executive Management Statement of Benefits.) Moreover, Employee shall retain all sick leave and vacation leave he has accrued as City Engineer but at his new pay rate. Employee will also earn and accumulate sick leave as provided in the Executive Management Statement of Benefits.

9. **Performance Evaluation:** The City Manager shall review and evaluate the performance of Employee each year and set goals and objectives for the ensuing year.

10. **Assignment:** Employee shall not assign any of the duties and responsibilities, or obligations of this Agreement except with the express written consent of the City Manager.

11. **Authority to Work in the United States:** Employee represents, under penalty of perjury, that he is authorized to work in the United States. In accordance with §274A (8 USC 1324) of the Immigration Reform and Control Act of 1986 before this Agreement can become effective, Employee must provide documentary evidence to City consistent with the Act, that he is legally entitled to work in the United States, and must execute the verification required by that Act.

12. **Cell Phone/Vehicle:** Employee will be provided with a Cell Phone for employment related use at the City's expense on terms consistent with other Executive

Managers. Employee will also be provided with access to the Public Works Pool Car for work related use on an as available basis.

13. **Notice:** All notices required herein shall be sent first class mail to the parties as follows:

To **CITY:** Blair King, City Manager
City of Lodi
P. O. Box 3006
Lodi, CA 95241-1910

To **EMPLOYEE:** F. Wally Sandelin
2304 Cochran Road
Lodi, California 95240

Notice shall be deemed effectively served upon deposit in the United States mail.

14. **Entire Agreement:** This Agreement contains the entire agreement between the parties hereto. No promise, representation, warranty, or covenant not included in this Agreement has been or is relied on by any party hereto. This Agreement may only be amended by written instrument signed by Employee and the City Manager and specifically approved by the City Council in open session.

15. **Severability:** If any provision of this Agreement is invalid or unenforceable, it shall be considered deleted herefrom and the remainder of this Agreement shall be unaffected and shall continue in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year written above.

CITY OF LODI, a municipal corporation

EMPLOYEE

Blair King
City Manager

F. Wally Sandelin

ATTEST:

By: _____
Randi Johl, J.D.
City Clerk

APPROVED AS TO FORM:

D. Stephen Schwabauer
City Attorney



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Authorize the Deputy City Manager/Treasurer to enter into agreement with Farmers and Merchants Bank of Central California for the issuance of a City credit card for Public Works Director Wally Sandelin

MEETING DATE: April 2, 2008

PREPARED BY: Jim Krueger, Deputy City Manager/Treasurer

RECOMMENDED ACTION: Authorize the Deputy City Manager/Treasurer to enter into agreement with the Farmers and Merchants Bank of Central California for the issuance of a City credit card for Public Works Director Wally Sandelin.

BACKGROUND INFORMATION: In October 1995 the City Council authorized the Treasurer and Revenue Manager to enter into an agreement with Farmers and Merchants Bank of Central California for the issuance of credit cards. This action will allow the issuance of a credit card to Public Works Director Wally Sandelin. These credit cards are provided for reasons of convenience and cost used in conjunction with attendance by the City Council and staff at conferences, training seminars and other miscellaneous meetings. The limit of \$5,000 is the level previously authorized for the Public Works Director position.

FUNDING AVAILABLE: N/A

Jim Krueger
Deputy City Manager/Treasurer

APPROVED: _____
Blair King, City Manager



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Set Public Hearing for April 16, 2008 to Consider the Annual Report for Sidewalk Repairs and to Confirm the Report as Submitted by the Public Works Department

MEETING DATE: April 2, 2008

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Set a public hearing for April 16, 2008, to consider the Annual Report for Sidewalk Repairs and to confirm the report as submitted by the Public Works Department.

BACKGROUND INFORMATION: In a continuing effort to improve the City's sidewalk system to encourage walking, improve safety by reducing the number of defects in the sidewalk, and reduce the City's liability exposure and cost, and in accordance with the City's sidewalk maintenance program, on October 3, 2007, the property owners with the 15 worst sidewalk offsets, according to our sidewalk survey, were notified of their responsibility to correct. The total cost estimate for this phase was \$43,987. Some owners took care of the need immediately, some asked for assistance, and three owners did not perform the corrections as needed.

The Curb, Gutter & Sidewalk Maintenance Policy, adopted by Resolution 2005-218 on October 5, 2005, provides three alternatives for the cost of repairs. Those alternatives are: a) City will advance funds for installation or maintenance without interest if the property owner agrees to make payments over the course of 12 months and upon execution of a written payment agreement with the City; b) property owners meeting low-income eligibility per the City's SHARE Program may elect to defer maintenance costs until transfer of ownership with execution of a payment agreement with a fixed interest; or c) the City Manager is authorized to establish procedures to implement this policy and execute payment agreements pertaining to this policy and file liens and assessments with the County Tax Collector and/or Recorder as appropriate to secure payment.

If it became necessary, property owners were given up to three notices over a three-month period. If they did not make the repairs, the City's contractor would repair the sidewalk. Streets and Highway Code Section 5616 requires that a public hearing be held to hear and pass upon the report of cost of repairs and to hear protests which may be raised by property owners.

The following is a list of the 15 properties that received sidewalk repair notifications:

Street Address	Cost Estimate	Work Accomplished
641 North Pacific Avenue	\$3,067.08	Property owner hired contractor. Work completed 11/30/07.
1800 Holly Drive	\$4,855.16	Property owner hired contractor. Work completed 1/22/08.
599 Sandpiper Circle	\$3,422.46	Property owner hired contractor. Work completed 11/9/07.

APPROVED: _____

Blair King, City Manager

Set Public Hearing for April 16, 2008 to Consider the Annual Report for Sidewalk Repairs and to Confirm the Report as Submitted by the Public Works Department

April 2, 2008

Page 2

Street Address	Cost Estimate	Work Accomplished
944 South Crescent Avenue	\$1,639.63	Property owner hired contractor. Work completed 11/30/07.
1524 West Elm Street	\$5,041.72	Property owner hired contractor. Work completed 12/15/07.
300 East Pine Street	\$2,679.16	Property owner hired contractor. Work completed 11/30/07.
309 Westwood Avenue	\$6,635.39	Property owner hired contractor. Work completed 11/30/07.
1007 Black Diamond Way	\$356.15	Property owner hired contractor. Work completed 1/16/08.
1015 Black Diamond Way	\$318.45	Property owner hired contractor. Work completed 2/4/08.
729 Westwood Avenue	\$2,931.19	Property owner hired City. Work completed 12/5/07.
210 Cross Street	\$1,225.18	Property owner hired City. Work completed 11/30/08.
1606 South Church Street	\$4,096.70	Property owner hired City. Work completed 1/18/08.
314 La Setta Drive	\$3,970.71	Failed to perform. City completed repairs, billed owner 1/15/08.
1518 West Elm Street	\$1,447.28	Failed to perform. City completed repairs, billed owner 2/12/08.
1512 West Elm Street	\$2,301.15	Failed to perform. City completed repairs, billed owner 2/12/08.

Based on previous cases, the Council determined that the collection method for cost of repairs to sidewalks would be to turn a Notice of Lien over to the Tax Collector. It is staff's recommendation that this be continued.

FISCAL IMPACT: Depending on Council's action, \$7,719, which includes the City's administrative time, could be restored to the Street Fund.

FUNDING AVAILABLE: None required.

Richard C. Prima, Jr.
Public Works Director

Prepared by George M. Bradley, Streets and Drainage Manager

RCP/GMB/dsg

cc: Property Owners (1512 West Elm Street, 1518 West Elm Street, 314 La Setta Drive)



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Set Public Hearing for April 16, 2008, to Consider Adopting Resolution Adjusting CPI-Based Water and Wastewater Rates

MEETING DATE: April 2, 2008

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Set a public hearing for April 16, 2008, to consider adopting a resolution adjusting CPI-based water and wastewater rates.

BACKGROUND INFORMATION: In the spring of 2004, following City-wide notification, the Council approved rate increases for water and wastewater services. The public notification and resolution passed at that time included provisions for future rate adjustments based on the Consumer Price Index (CPI).

Resolution No. 2004-77 states that the index to be used shall be the San Francisco-Oakland-San Jose CPI for all items (unadjusted). The City has been using the December index for the past few years. The price index for December 2006 was 210.4 and 218.485 for December 2007, which translates to an increase of 3.84%. The rate increase (as shown on the attached tables) is on all water and wastewater service charges. The increase amount for a three-bedroom home is \$1.49 for water and \$1.03 for wastewater. Note this adjustment applies to the total water rate. Previous adjustments did not include the PCE/TCE charge since when it was initially adopted as a phased-in rate increase, it included an allowance for inflation. The effective date of the increase is July 1, 2008.

FISCAL IMPACT: There would be an increase in the annual water and wastewater fund revenue, which is needed to help keep up with cost of service increases and new mandated costs.

FUNDING AVAILABLE: Not applicable.

Richard C. Prima, Jr.
Public Works Director

Prepared by Rebecca Areida, Management Analyst

RCP/RA/pmf

Attachments

cc: Steve Mann, Information Systems Manager
Charles Swimley, Water Services Manager

APPROVED: _____
Blair King, City Manager

City of Lodi Water Utility
Proposed Water Rates

	Current Rates				Rates Effective 07/01/2008			
Single-Family Residential	Base	Infr.	PCE/TCE	Monthly Total	Base	Infr.	PCE/TCE	Monthly Total
1 BR - House	\$14.42	\$5.24	\$7.29	\$26.95	\$14.97	\$5.44	\$7.57	\$27.98
2 BR - House	17.31	6.30	8.76	32.37	17.97	6.54	\$9.10	33.61
3 BR - House	20.75	7.54	10.50	38.79	21.55	7.83	\$10.90	40.28
4 BR - House	24.93	9.07	12.61	46.61	25.89	9.42	\$13.09	48.40
5 BR - House	29.90	10.88	15.13	55.91	31.05	11.30	\$15.71	58.06
6 BR - House	35.88	13.05	18.16	67.09	37.26	13.55	\$18.86	69.67
7 BR - House	43.05	15.66	21.78	80.49	44.70	16.26	\$22.62	83.58
Multi-Family Residential								
1 BR - APT	\$12.37	\$4.50	\$6.26	\$23.13	\$12.85	\$4.67	\$6.50	\$24.02
2 BR - APT	14.83	5.40	7.51	27.74	15.40	5.61	\$7.80	28.81
3 BR - APT (1)	17.8	6.48	9.01	33.29	18.48	6.73	\$9.36	34.57
Flat Rate Commercial/Industrial Customers - Varies, Increase all by 3.84%								
Metered Rate (2)	Base	Infr. \$/ccf	PCE/ TCE	Total	Base	Infr. \$/ccf	PCE/ TCE	Total
Commodity Charge per 100 cu. Ft.	\$0.517	\$0.243		\$0.760	\$0.537	\$0.252		\$0.789
monthly charge								
Comm. 5/8"	\$15.13		\$9.56	\$24.69	\$15.71		\$9.93	\$25.64
Comm. .75"	16.63		10.50	27.13	17.27		\$10.90	28.17
Comm. 1"	24.94		15.76	40.70	25.90		\$16.37	42.27
Comm. 1.5"	33.25		21.01	54.26	34.53		\$21.82	56.35
Comm. 2"	41.57		26.27	67.84	43.17		\$27.28	70.45
Comm. 3"	58.21		36.77	94.98	60.45		\$38.18	98.63
Comm. 4"	74.83		47.28	122.11	77.70		\$49.10	126.80
Comm. 6"	108.09		68.30	176.39	112.24		\$70.92	183.16
Comm. 8"	141.37		89.25	230.62	146.80		\$92.68	239.48
Comm. 10"	174.64		110.25	284.89	181.35		\$114.48	295.83
Construction Water Charges per 100 cu. Ft.	\$0.760				\$0.789			

(1) plus 20% for each additional bedroom

(2) Monthly total for metered commercial customers depends on amount of water used

City of Lodi Wastewater Utility
Proposed Wastewater Rates

	Current Rates			Rates Effective 07/01/2008		
	Base	Infr.	Monthly Total	Base	Infr.	Monthly Total
Residential						
1 BR	\$11.40	\$4.63	\$16.03	\$11.84	\$4.81	\$16.65
2 BR	15.20	6.17	21.37	15.78	6.41	22.19
3 BR	19.00	7.71	26.71	19.73	8.01	27.74
4 BR	22.80	9.26	32.06	23.67	9.62	33.29
5 BR	26.60	10.80	37.40	27.62	11.22	38.84
6 BR	30.40	12.34	42.74	31.56	12.82	44.38
7 BR	34.20	13.88	48.08	35.51	14.42	49.93

Moderate Strength (annual per SSU)	\$256.44	\$266.28
High Strength User:		
Flow (per MG, annual basis)	2,164.00	2,247.10
BOD (per 1,000 lbs., annual basis)	357.12	370.83
SS (per 1,000 lb., annual basis)	223.29	231.86
Grease Inceptor & Septic Holding Tank Waste within City Limits (per 1,000 gal.)	189.09	196.35
Septic (only) Holding Tank Waste Outside City limits (per 1,000 gal.)	401.41	416.82
Disposal to Storm Drain System (per MG)	198.61	206.24
Disposal to Industrial System:		
Flow (per MG, annual basis)	2,992.75	n/a rates adusted annually per
BOD (per 1,000 lbs., annual basis)	18.82	LMC § 13.12.210
Winery Waste (per 1,000 gal.)	191.47	198.82



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution of Preliminary Approval, Resolution of Intention and Resolution Initiating Proceedings to Annex Luca Place Zone 14, Guild Avenue Industrial Zone 15 and West Kettleman Lane Commercial Zone 16 to Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1; and Set Public Hearing and Deadline for Receipt of Ballots for May 7, 2008

MEETING DATE: April 2, 2008

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt the following resolutions regarding annexation of Luca Place Zone 14, Guild Avenue Industrial Zone 15 and West Kettleman Lane Commercial Zone 16 to the Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1:

1. Resolution of Preliminary Approval of the Engineer's Report Regarding the Proposed Annexation of Territory into the Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1 and the Levy and Collection of Assessments for Fiscal Year 2008/09
2. Resolution Declaring Intention to Annex Territory into Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1 and to Provide for the Levy and Collection of Assessments in Such Annexation, Setting a Time and Place for Public Hearing Thereon and Ordering the Initiation of Assessment Ballot Procedures
3. Resolution Initiating Proceedings for the Annexation of Territory into the Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1 and the Levy and Collection of Assessments for Certain Zones for Fiscal Year 2008/09

BACKGROUND INFORMATION: As required as a condition of development, the developers of the residential subdivision, Luca Place (APN 027-420-09), located on the east side of Westgate Drive, north of Kettleman Lane; the industrial developments located at 1390 and 1399 East Turner Road (APN 049-080-81 and 049-080-82), 955 North Guild Avenue (APN 049-080-74) and 1518 East Victor Road (APN 049-340-38); and the commercial office developments located at 1750 and 1811 West Kettleman Lane (APN 031-330-10 and 058-160-86) have elected to annex to the Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1 (District) for the purpose of maintaining and/or replacing certain public improvements that have been or are to be installed in conjunction with or for the benefit of those projects. The Engineer's Report for the proposed annexations, prepared by NBS of Temecula and attached as Exhibit 1, presents a description of the projects, defines the areas, describes the improvements to be maintained and provides a cost estimate of the First Year Estimated Assessment and sets the Maximum Annual Assessment amount for each zone.

Zone 14

Luca Place Zone 14 (Exhibit 2) is comprised of a single lot bounded by the Vintner's Square shopping center to the north, south and east and Westgate Drive to the west that is expected to subdivide subsequent to the formation of the assessment district into 17 medium-density residential lots.

APPROVED: _____
Blair King, City Manager

Adopt Resolution of Preliminary Approval, Resolution of Intention and Resolution Initiating Proceedings to Annex Luca Place Zone 14, Guild Avenue Industrial Zone 15 and West Kettleman Lane Commercial Zone 16 to Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1; and Set Public Hearing and Deadline for Receipt of Ballots for May 7, 2008

April 2, 2008

Page 2

Zone 15

Guild Avenue Industrial Zone 15 is comprised of four industrial zoned parcels, two located on West Turner Road at the intersection with North Guild Avenue, one located on North Guild Avenue and one located on Victor Road, east of North Guild Avenue. Zone 15 is the second annexations within the defined Area of Benefit, Exhibit 3. Zone 13 was the first zone annexed on April 7, 2007. Zone 15 receives 6.27% of the benefit (Attachment 1) from the public improvements and will, therefore, provide 6.27% of the funding for the maintenance of those improvements. Until such time that the balance of the parcels within the Area of Benefit are annexed, the City will be responsible for the balance of the funding for maintenance.

Zone 16

West Kettleman Lane Commercial Zone 16 is comprised of two commercial office parcels located on West Kettleman Lane, west of Lakeshore Drive and east of Mills Avenue. Zone 16 is the first annexation that will occur within the defined Area of Benefit, Exhibit 4. Zone 16 receives 1.24% of the benefit (Attachment 2) from the public improvements and will, therefore, provide 1.24% of the funding for the maintenance of those improvements. Until such time that the balance of the parcels within the Area of Benefit are annexed, the City will be responsible for the balance of the funding for maintenance.

The total number of lots in the three zones proposed to be annexed into the assessment district is 23. The proposed assessment roll for each Zone is set forth in Exhibit 1.

The action requested of the City Council will initiate the steps leading to annexation of Zones 14, 15 and 16 and preliminarily approve the Engineer's Report. Additionally, the City Council will set a public hearing for May 7, 2008, to hear public testimony on the formation and proposed assessments and to finally act to form the district.

Election ballots will be distributed to the owners of record as of the date of ballot preparation. Voting is based upon acres and simple majority vote is required to form the district.

The First Year Assessment will be added to the tax roll for Fiscal Year 2008/09 and the first revenues from the district will be received in December 2008.

FISCAL IMPACT: The purpose of the District is to collect funds to offset the fiscal impact of the maintenance and replacement of certain public improvements benefiting to each development.

FUNDING AVAILABLE: All costs will be paid by applicant fees and reimbursement from funds collected through the assessment district.

Richard C. Prima, Jr.
Public Works Director

Prepared by Sharon A. Welch, Senior Civil Engineer
RCP/SAW/pmf

Attachments

cc: Sharon Welch, Senior Civil Engineer
NBS
Mailing List

City of Lodi

**Lodi Consolidated Landscape
Maintenance District No. 2003-1**

ZONE 14 – LUCA PLACE

ZONE 15 – GUILD AVENUE INDUSTRIAL

ZONE 16 – WEST KETTLEMAN LANE COMMERCIAL

2008/09 Preliminary Engineer's Report

April 2008

Prepared by

N | B | S

Corporate Office
32605 Temecula Parkway, Suite 100
Temecula, CA 92592
(800) 676-7516 phone
(951) 296-1998 fax

Regional Office
870 Market Street, Suite 901
San Francisco, CA 94102
(800) 434-8349 phone
(415) 391-8439 fax

CITY OF LODI
LODI CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT NO. 2003-1

221 W. Pine Street
Lodi, California 95240
Phone - (209) 333-6706
Fax - (209) 333-6807

CITY COUNCIL

Joanne Mounce, Mayor
Larry D. Hansen, Mayor Pro Tem
Susan Hitchcock, Council Member
Bob Johnson, Council Member
Phil Katzakian, Council Member

CITY STAFF

Blair King, City Manager
Jim Krueger, Deputy City Manager
Randi Johl, City Clerk
D. Stephen Schwabauer, City Attorney
Richard Prima, Public Works Director
Wally Sandelin, City Engineer

N | B | S

Pablo Perez, Client Services Director
Rick Clark, Senior Consultant

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1. ENGINEER'S LETTER

WHEREAS, on [April 2, 2008](#), the City Council of the City of Lodi (the "City"), State of California, directed NBS Government Finance Group, DBA NBS ("NBS") to prepare and file a report presenting plans and specifications describing the general nature, location and extent of the improvements to be maintained, an estimate of the costs of the maintenance, operations and servicing of the improvements for the City of Lodi Consolidated Landscape Maintenance District No. 2003-1 (the "District"), [Zones 14 – 16](#) (the "Annexation") for Fiscal Year [2008/09](#). The report includes a diagram(s) for the Annexation, showing the area and properties proposed to be assessed, an assessment of the estimated costs of the maintenance, operations and servicing the improvements, and the net amount upon all assessable lots and/or parcels within the Annexation in proportion to the special benefit received;

NOW THEREFORE, the following assessment is made to cover the portion of the estimated costs of maintenance, operation and servicing of said improvements to be paid by the assessable real property within the Annexation in proportion to the special benefit received:

SUMMARY OF ASSESSMENT

Description	2008/09 Assessment	Maximum Assessment	As Confirmed by Council
Luca Place - Zone 14 Levy	\$2,936.24	\$4,997.00	
Zone 14 Equivalent Units	17.00	17.00	
Assessment Per Equivalent Unit	\$ 172.72	\$ 293.94	
Guild Avenue Industrial – Zone 15 Levy	\$466.22	\$3,719.08	
Zone 15 Equivalent Units	36.652	36.652	
Assessment Per Equivalent Unit	\$ 12.72	\$ 101.47	
West Kettleman Commercial - Zone 16 Levy	\$264.84	\$311.52	
Zone 16 Equivalent Units	8.365	8.365	
Assessment Per Equivalent Unit	\$ 31.66	\$ 37.24	

I, the undersigned, respectfully submit the enclosed Engineer's Report and, to the best of my knowledge, information and belief, the Engineer's Report, Assessments, and the Assessment Diagram herein have been prepared and computed in accordance with the order of the City Council of the City of Lodi.

Wally Sandelin, P.E., Engineer of Work

Date:_____

Seal

2. OVERVIEW

2.1 Introduction

The City of Lodi ("City") proposes to levy special benefit assessments for the Lodi Consolidated Landscape Maintenance District No. 2003-1 ("District") for Fiscal Year 2008/09. The City currently has consolidated [thirteen](#) landscape maintenance districts into a single district, the "Lodi Consolidated Landscape Maintenance District No. 2003-1". In response to the provisions of the California Constitution Article XIII C and XIII D (Proposition 218), in 2003 a separate Engineer's Report was prepared for each of the first two Zones (Zones 1 and 2) of the Lodi Consolidated Landscape Maintenance District. The City conducted property owner assessment ballot proceedings for the assessments in Fiscal Year 2004/05. After approval of the assessment by the property owners, the City began to levy and collect special assessments on the County tax rolls to provide continued funding for the costs and expenses required for maintenance of the improvements within the District. In 2004 a separate Engineer's Report was prepared for each of the next five Zones (Zones 3 thru 7) of the Lodi Consolidated Landscape Maintenance District. The City conducted property owner assessment ballot proceedings for Zones 3 and 4 for the assessments in Fiscal Year 2004/05 and in Fiscal Year 2005/06 for Zones 5 through 7. During Fiscal Year 2006/07, the City conducted property owner assessment ballot proceedings for the annexation of Zones 8 through 12 into the District. For Fiscal Year 2007/08, the City conducted property owner assessment ballot proceedings for the annexation of Zone 13 into the District.

This Engineer's Report ("Report") describes the proposed annexation (the "Annexation") of Zones 14 through 16 into the District and assessments to be levied against properties within the Annexation for Fiscal Year 2008/09. The assessments described herein are based on the estimated cost to operate service and maintain improvements that will provide a direct and special benefit to properties within the Annexation. All improvements to be operated, serviced and maintained through annual assessments were or will be constructed and installed in connection with the development or for the benefit of these properties. The annual costs and assessments described herein include all estimated direct expenditures, incidental expenses, deficits, surpluses, revenues and reserves associated with the maintenance and servicing of the improvements.

After approval of the assessment by the property owners, the City will levy and collect special assessments on the County tax rolls to provide continued funding for the costs and expenses required for maintenance of the improvements within the District. The District is levied pursuant to the Landscape and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code (the Act), and in compliance with the substantive and procedural requirements of the California Constitution Article XIII D.

The word "parcel," for the purposes of this Report, refers to an individual property assigned its own Assessment Number by the County of San Joaquin Assessor's Office. The County of San Joaquin Auditor/Controller uses Assessment Numbers and specific Fund Numbers to identify properties assessed on the tax roll for special district benefit assessments.

2.2 Effect of Proposition 218

On November 5, 1996, California voters approved Proposition 218 (Government Code commencing with Section 53739) by a margin of 56.5% to 43.5%. The provisions of the Proposition, now a part of the California Constitution, add substantive and procedural requirements to assessments, which affect the City of Lodi landscape maintenance assessments.

The Landscape and Lighting Act of 1972, Article XIID of the Constitution of the State of California and the Proposition 218 Omnibus Implementation Act are referred to collectively as the “Assessment Law”)

The proposed annexation of Zones 14 through 16 will comply with the requirements of the Assessment Law.

3. PLANS AND SPECIFICATIONS

During the installation period for each Zone within the Lodi Consolidated Landscape Maintenance District No. 2003-1, the installer of the improvements will maintain the new improvements until the following June 30, or such time as funds are available for maintenance, at which time the new areas shall be incorporated into the areas already being maintained by the District.

3.1 Description of Facilities for Zone 14

Zone 14 is comprised of the Luca Place subdivision; the facilities within Zone 14 of the Lodi Consolidated Landscape Maintenance District No. 2003-1 that will be operated, serviced, maintained and improved are generally described as follows:

- A. A 6.5 foot irrigated landscape strip in the east half of the Westgate Drive median, west of the Zone 14 boundary.
- B. Street parkway trees located within the public street (Westgate Drive), within the Zone 14 boundary.
- C. Public park land area of 0.13005 acres in size equivalent to the current level of service standard for park area within the City of 3.4 acres per thousand persons served.

Zone 14 consists of a 17-lot medium-density residential development (Luca Place) bounded by Vintner's Square shopping center to the north, east and south and Westgate Drive to the west. Each lot benefits equally from the facilities within Zone 14. When subdivided, the zone will include 17 Dwelling Unit Equivalents (DUE).

3.2 Description of Facilities for Zone 15

Zone 15 is comprised of 4 industrial zoned parcels; the facilities within Zone 15 of the Lodi Consolidated Landscape Maintenance District No. 2003-1 that will be operated, serviced, maintained and improved are generally described as follows:

- A. A traffic signal at the intersection of Highway 12 (Victor Road) and Guild Avenue.
- B. A 15.0 foot irrigated, landscaped strip in a 16.0 foot median in Victor Road (Highway 12) south of the Zone 15 boundary, extending west from the current City limits for a distance of 700 feet.
- C. A 28.5 foot irrigated landscape strip on the north side of Victor Road (Highway 12), extending westerly from the current City limits to 231 feet west of the Guild Avenue intersection centerline and having a total length of 1,485 feet.
- D. Street sweeping along the north and south side of Victor Road (Highway 12) and along the median and curbing from 231 feet west of the Guild Avenue intersection centerline to the current City limits.

Zone 15 consists of four (4) industrial zoned parcels, three (3) located on Guild Avenue, north of Lockeford Street and one (1) located on Victor Road, east of Guild Avenue. The benefit from facilities within Zone 15 for each lot has been determined based on an acreage basis. Zone 15 includes 36.652 Dwelling Unit Equivalents (DUE). Please refer to Section 4 of this Report for a more complete description.

3.3 Description of Facilities for Zone 16

Zone 16 is comprised of 2 commercial office parcels; the facilities within Zone 16 of the Lodi Consolidated Landscape Maintenance District No. 2003-1 that will be operated, serviced, maintained and improved are generally described as follows:

- A. A variable width (15 to 18 feet) irrigated, landscaped strip in the segmented median in W. Kettleman Lane (Highway 12) extending west from Ham Lane to Westgate Drive and having a total landscaped area of 36,505 square feet.
- B. A variable width (12 to 20 feet) irrigated landscape strip in the segmented median in Lower Sacramento Road extending south from the north boundary of parcel APN 027-410-06 (2429 W. Kettleman Lane) to the south boundary of APN 058-030-13 (1551 S. Lower Sacramento Road) and having a total landscaped area of 13,490 square feet.

Zone 16 consists of 2 commercial office parcels located on W. Kettleman Lane, west of Lakeshore Drive and east of Mills Avenue. The benefit from facilities within Zone 16 for each lot has been determined based on an acreage and land use basis. Zone 16 includes [8.365](#) Dwelling Unit Equivalents (DUE). Please refer to Section 4 of this Report for a more complete description.

4. METHOD OF APPORTIONMENT

4.1 Method of Apportionment

Pursuant to the 1972 Act the costs (assessments) of the District are apportioned by a formula or method that fairly distributes the net amount to be assessed among all parcels in proportion to benefits received from the improvements. The provisions of Article XIII C and XIII D of the California Constitution (Proposition 218) require the agency to separate the general benefit from special benefit, whereas only special benefits may be assessed.

IMPROVEMENT BENEFIT FINDINGS

The annual assessments outlined in the Budget section of this Report are proposed to cover the estimated costs to provide all necessary service, operation, administration and maintenance within the District, by Zone. It has been determined that each assessable parcel within the District receives proportional special benefits from the improvements. Below is a description of the benefit finding for each Zone.

Zone 14 – The benefit from improvements to be maintained through annual assessments of Zone 14 has been determined based on a parcel basis. All parcels within Zone 14 will be single family homes and as a result all parcels will have the same assessment rate.

Zone 15 – The benefit from improvements to be maintained through annual assessments of Zone 15 has been determined to be **6.27%** of the total, based on the acreage and land use zoning of all parcels on Guild Avenue north of Victor Road (Highway 12) and two parcels having frontage on the south side of Victor Road east of Guild Avenue. The individual benefit for each parcel with Zone 15 has been determined based on acreage. The balance of the costs of operating, servicing and maintaining the improvements shall be borne by the City until such time as the remaining parcels on Guild Avenue, north and south of Victor Road (Highway 12) are developed or are otherwise required to annex into the District.

Zone 16 – The benefit from improvements to be maintained through annual assessments of Zone 16 has been determined to be **1.23%** of the total, based on the acreage and land use zoning of all commercial parcels along West Kettlemen Lane between Westgate Drive and Ham Lane. The individual benefit for each parcel with Zone 16 has been determined based on acreage. The balance of the costs of operating, servicing and maintaining the improvements shall be borne by the City until such time as the remaining parcels on West Kettlemen Lane, between Westgate Drive and Ham Lane are developed or are otherwise required to annex into the District.

All improvements to be maintained and funded through annual assessments were constructed and installed in connection with or for the benefit of the development of properties within the District. Each parcel's close and relatively similar proximity to the improvements makes each parcel's special benefit from the improvements similar and proportionate.

The annual assessments outlined in the Budget section of this Report are proposed to cover the estimated costs to provide all necessary service, operation, administration and maintenance within the District, by Zone. It has been determined that each assessable parcel within the District receives proportional special benefits from the improvements. All the lots and parcels that receive special benefit from the improvements are included within the District.

SPECIAL BENEFITS

The method of apportionment (method of assessment) is based on the premise that each of the assessed parcels within the District receives special benefit from the improvements maintained and financed by District assessments. Specifically, the assessments associated with each Zone are outlined, by Zone, in Section 5 of this Report.

DESCRIPTION OF THE METHOD OF APPORTIONMENT

The District provides operation, service and maintenance to all the specific local improvements and associated appurtenances located within the public right-of-ways in each of the various Zones throughout the District. The annual assessments are based on the historical and estimated cost to operate, to service and to maintain the improvements that provide a special benefit to properties within the District and Zones. The various improvements within each Zone are identified and budgeted separately, including all expenditures, deficits, surpluses, revenues and reserves.

The assessments outlined in this section represent the proportionate special benefit to each property within the District and the basis of calculating each parcel's proportionate share of the annual costs associated with the District/Zone improvements. The costs associated with the maintenance and operation of special benefit improvements shall be collected through annual assessments from each parcel receiving such benefit. The funds collected shall be dispersed and used for only the services and operation provided to the District.

The basis of determining each parcel's special benefit utilizes a weighting formula commonly known as a Dwelling Unit Equivalent Factor (dueF). The developed single-family residential parcel is used as the base unit for calculation of assessments and is defined as one (1.00) dueF. All other property types are assigned a dueF that reflects their proportional special benefit from the improvements as compared to the single-family residential parcel (weighted comparison).

To determine the dueF for industrial and commercial/office parcels, and multiple-residential (greater than 3 units) parcels, a Benefit Unit Factor (BUF) is assigned to each property type. This BUF multiplied by the parcel's specific acreage determines the parcel's specific dueF. The following table provides a listing of the various land use types and the corresponding BUF used to calculate a parcel's EDU and proportionate benefit:

4.2 Land Use Benefit Factors

PROPERTY TYPE LAND USE	ASSIGNED BENEFIT UNIT FACTOR
Single Family Residential	1.00 per Unit
Multiple Family Residential (duplex)	2.00 per Unit
Multiple Family Residential (greater than 3 units)	5.00 per Acre
Commercial/Office	
For the First 7.5 Acres	5.00 per Acre
For the Next 7.5 Acres	2.50 per Acre
For All Acreage Over 15 Acres	1.25 per Acre
Industrial	4.00 per Acre
Exempt	0.00
Other Uses	The dueF Will Be Established As Required

Exempt – Certain parcels, by reason of use, size, shape or state of development, may be assigned a zero dueF which will consequently result in a zero assessment for those parcels for that fiscal year. All parcels having such a zero dueF for the previous fiscal year shall annually be reconsidered to determine if the reason for assigning the zero dueF is still valid for the next fiscal year. Parcels which may be expected to have a zero dueF assigned are typically parcels which are all, or nearly all, publicly landscaped, parcels in public ownership, parcels owned by a public utility company and/or used for public utilities, public parks, public schools, and remainder parcels too small or narrow for reasonable residential or commercial use, unless actually in use.

Area Adjustments – Parcels which have an assessment determined by area and which have a portion of the parcel occupied by public or public utility uses separate from the entitled use and located in easements, prior to the multiplication by the dueF, shall have the area of the parcel adjusted to a usable area to reflect the loss or partial loss of the entitled use in those areas. This reduction shall not apply for normal peripheral and interior lot line public utility easements generally existing over the whole subdivision.

As noted previously, the District is divided into Zones. These Zones encompass specific developments where the properties receive a direct and special benefit from the operation, service and maintenance of those improvements. The basis of benefit and proportionate assessment for all properties within the District is established by each parcel's calculated dueF and their proportionate share of the improvement costs based on their proportionate dueF within the Zone. The method used to calculate the assessments for each Zone is as follows:

$$\text{Total Balance to Levy} / \text{Total dueF} = \text{Levy per dueF (Levy Rate)}$$

$$\text{Parcel's dueF} \times \text{Levy per dueF (Levy Rate)} = \text{Parcel Levy Amount}$$

ASSESSMENT RANGE FORMULA

Any new or increase in assessments require certain noticing and meeting requirements by law. Prior to the passage of Proposition 218, legislative changes in the Brown Act defined the definition of "new or increased assessment" to exclude certain conditions. These conditions included "any assessment that does not exceed an assessment formula or range of assessments previously adopted by the agency or approved by the voters in the area where the assessment is imposed." This definition and conditions were later confirmed through SB919 (Proposition 218 implementing legislation).

The purpose of establishing an assessment range formula is to provide for reasonable increases and inflationary adjustments to annual assessments without requiring costly noticing and mailing procedures, which could add to the District costs and assessments.

Generally, if the proposed annual assessment (levy per unit or rate) for the current fiscal year is less than or equal to the "Maximum Assessment" (or "Adjusted Maximum Assessment"), then the proposed annual assessment is not considered an increased assessment. The Maximum Assessment is equal to the initial Assessment approved by property owners adjusted annually by the following criteria:

1. Beginning in the second fiscal year (Fiscal Year [2009/10](#)) and each fiscal year thereafter, the Maximum Assessment will be recalculated annually.
2. The new adjusted Maximum Assessment for the year represents the prior year's Maximum Assessment adjusted by the greater of:
 - (a) Five percent (5.0%); or,
 - (b) The annual increase in the Consumer Price Index (CPI).

Each year the annual increase in the CPI shall be computed. The increase in CPI is the percentage difference between the CPI of December of any given year and the CPI for the previous December as provided and established by the Bureau of Labor Statistics (example: Fiscal Year 2005/06 CPI increase was 2.2% over December 2004). This percentage difference (annual difference) shall then establish the allowed increase based on CPI. The Consumer Price Index used shall be based on the CPI established by the Bureau of Labor Statistics for all urban consumers for the San Francisco-Oakland-San Jose Area. Should the Bureau of Labor Statistics revise such index or discontinue the preparation of such index, the City shall use the revised index or comparable system as approved by the City Council for determining fluctuations in the cost of living.

If CPI is less than five percent (5.0%), then the allowable adjustment to the Maximum Assessment is five percent. If CPI is greater than five percent (5.0%), then the allowable adjustment to the Maximum Assessment is based on CPI. The Maximum Assessment is adjusted annually and is calculated independent of the District's annual budget and proposed annual assessment. Any proposed annual assessment (rate per levy unit) less than or equal to this Maximum Assessment is not considered an increased assessment, even if the proposed assessment is greater than the assessment applied in the prior fiscal year.

The following table illustrates how the assessment range formula shall be applied. For example, if the percentage change in CPI is greater than five percent (5.0%), as in Example 1, then the percentage adjustment to the Maximum Assessment will be by CPI. If the percentage change in CPI is less than five percent (5.0%), as in Example 2, then the percentage adjustment to the Maximum Assessment will be five percent (5.0%).

Examples of Percentage Increases

Example	CPI Calculated Percentage Increase	Standard 5% Increase	Maximum % Increase Without Re- Balloting	Prior Years Maximum Rate Per dueF	Allowed Adjustment Per dueF	Allowed New Maximum Rate Per dueF
1	5.25%	5.00%	5.25%	\$347.00	18.22	\$365.22
2	2.20%	5.00%	5.00%	\$347.00	17.35	\$364.35

As previously illustrated, the Maximum Assessment will be recalculated and adjusted annually. However, the City Council may reduce or freeze the Maximum Assessment at any time by amending the Engineer's Annual Report.

Although the Maximum Assessment will normally increase each year, the actual District assessments may remain virtually unchanged. The Maximum Assessment adjustment is designed to establish a reasonable limit on District assessments. The Maximum Assessment calculated each year does not require or facilitate an increase to the annual assessment, nor does it restrict assessments to the adjusted maximum amount. If the budget and assessments for the fiscal year does not require an increase, or the increase is less than the adjusted Maximum Assessment, then the required budget and assessment may be applied without additional property owner balloting. If the budget and assessments calculated requires an increase greater than the adjusted Maximum Assessment then the assessment is considered an increased assessment. To impose an increased assessment the City Council must comply with the provisions of Proposition 218 (Article XIII D Section 4c of the California Constitution). Proposition 218 requires a Public Hearing and certain protest procedures including mailed notice of the Public Hearing and property owner protest balloting. Property owners, through the balloting process, must approve the proposed assessment increase. If the proposed assessment is approved, then a new Maximum Assessment is established for the District. If the proposed assessment is not approved, the City Council may not levy an assessment greater than the adjusted Maximum Assessment previously established for the District.

5. ESTIMATE OF COSTS

5.1 Description of Budget Items

The following items make up the Estimate of Costs used in determining the Annual Assessments of the District. The specific Zones within the District are shown in Section 3 of this Report. Definitions of maintenance items, words and phrases are shown below:

Fiscal Year – One year period of time beginning July 1st of a given year and ending June 30th of the following year.

OPERATION COSTS:

Landscape Maintenance Labor – The estimated cost of labor necessary for maintaining and servicing the street trees, shrubs, turf and ground cover areas within the District.

Maintenance Materials & Supplies – The estimated cost of materials necessary for maintaining, cleaning and servicing the landscaped areas, parklands, streets (sweeping) and traffic signals within the District.

Irrigation Water – The cost of water used for irrigating the landscaping improvements of the District.

Utilities – The cost of electricity used for irrigation within the District.

Equipment Maintenance & Operation – The cost of materials and labor necessary for maintaining, repairing, and operating equipment (includes vehicles, benches, playground equipment, graffiti and litter removal, etc.) used for all aspects of maintenance in the District.

Maintenance Personnel – The estimated cost for District personnel to perform maintenance duties within the District.

Contract Maintenance – The estimated cost to perform contracted maintenance duties within the District.

ADMINISTRATION COSTS:

Consultants – Costs associated with outside consultant fees in order to comply with Assessment Law and placement of assessment onto the San Joaquin County Tax Roll each year.

County Administration – Costs of the County of San Joaquin related to the placement of assessments on the tax roll each year.

Insurance – The estimated costs to provide insurance for District personnel and staff.

Reserves/Contingencies – An amount of 50% of the maintenance costs may be included to build a Reserve and Contingency Fund. The Landscaping and Lighting Act of 1972, Part 2, Division 15 of the Streets and Highways Code of the State of California, commencing with Section 22500, allows the District assessments to "...include a reserve which shall not exceed the estimated costs of maintenance and servicing to December 10 of the fiscal year, or whenever the city expects to receive its apportionment of special assessments and tax collections from the county, whichever is later."

Total Parcels – Represents the total number of parcels physically within the District/Zone boundaries.

Total Dwelling Unit Equivalent Factor – Dwelling Unit Equivalent Factor (dueF) is a numeric value calculated for each parcel based on the parcel's land use. The dueF shown in the District/Zone budget represents the sum total of all parcel dueF's that receive benefit from the improvements. Refer to Section III for a more complete description of dueF's.

Levy per dueF – This amount represents the rate being applied to each parcel's individual dueF. The Levy per Dwelling Unit Equivalent Factor, is the result of dividing the total Balance to Levy, by the sum of the District dueF's, for the fiscal year. This amount is always rounded down to the nearest even penny for tax bill purposes.

5.2 District Budget

Zone 14 – Luca Place Budget

ACCOUNT DESCRIPTION	2008/09 ASSESSMENT	MAXIMUM ASSESSMENT
OPERATION COSTS: ⁽¹⁾	\$1,314.00	\$1,314.00
STREET TREES:	0.00	242.00
PARK MAINTENANCE:	0.00	1,586.00
ADMINISTRATION COSTS: ⁽²⁾	1,122.00	1,355.00
ROUNDING FACTOR:*	<u>0.24</u>	<u>0.00</u>
BUDGET TOTAL	\$2,436.24	\$4,497.00
CONTRIBUTION FROM RESERVES:	(0.00)	(0.00)
CONTRIBUTION TO RESERVES: ⁽³⁾	<u>500.00</u>	<u>500.00</u>
BALANCE TO LEVY:	\$2,936.24	\$4,997.00

* Rounding is for County tax roll purposes

⁽¹⁾ Includes landscape maintenance, repair, replacement, water and electricity costs.

⁽²⁾ Includes Consultants, City & County administration, publication costs and contingency.

⁽³⁾ Includes landscape and/or masonry wall replacement costs.

Zone 15 – Guild Avenue Industrial Budget

ACCOUNT DESCRIPTION	2008/09 ASSESSMENT	MAXIMUM ASSESSMENT
OPERATION COSTS: ⁽¹⁾	\$362.72	\$2,915.42
TRAFFIC SIGNALS:	0.00	312.37
STREET SWEEPING:	14.23	58.12
ADMINISTRATION COSTS: ⁽²⁾	70.29	399.71
ROUNDING FACTOR:*	<u>0.17</u>	<u>0.54</u>
BUDGET TOTAL	\$ 447.41	\$3,686.16
CONTRIBUTION FROM RESERVES:	(0.00)	(0.00)
CONTRIBUTION TO RESERVES: ⁽³⁾	<u>18.81</u>	<u>32.92</u>
BALANCE TO LEVY:	\$ 466.22	\$3,719.08

* Rounding is for County tax roll purposes

⁽¹⁾ Includes landscape maintenance, repair, replacement, water and electricity costs.

⁽²⁾ Includes Consultants, City & County administration, publication costs and contingency.

⁽³⁾ Includes landscape and/or masonry wall replacement costs.

Zone 16 – West Kettleman Lane Commercial Budget

ACCOUNT DESCRIPTION	2008/09 ASSESSMENT	MAXIMUM ASSESSMENT
OPERATION COSTS: ⁽¹⁾	\$231.52	\$231.52
ADMINISTRATION COSTS: ⁽²⁾	<u>27.14</u>	<u>73.82</u>
BUDGET TOTAL	\$ 258.66	\$ 305.34
CONTRIBUTION FROM RESERVES:	(0.00)	(0.00)
CONTRIBUTION TO RESERVES: ⁽³⁾	<u>6.18</u>	<u>6.18</u>
BALANCE TO LEVY:	\$ 264.84	\$ 311.52

⁽¹⁾ Includes landscape maintenance, repair, replacement, water and electricity costs.

⁽²⁾ Includes Consultants, City & County administration, publication costs and contingency.

⁽³⁾ Includes landscape and/or masonry wall replacement costs.

Total Budget for Annexed Zones

ACCOUNT DESCRIPTION	2008/09 ASSESSMENT	MAXIMUM ASSESSMENT
OPERATION COSTS: ⁽¹⁾	\$1,908.24	\$4,460.94
STREET TREES:	0.00	242.00
STREET SWEEPING:	14.23	58.12
TRAFFIC SIGNALS:	0.00	312.37
PARK MAINTENANCE:	0.00	1,586.00
ADMINISTRATION COSTS: ⁽²⁾	1,219.43	1,828.53
ROUNDING FACTOR:*	<u>0.41</u>	<u>0.54</u>
BUDGET TOTAL	\$3,142.31	\$8,488.50
CONTRIBUTION FROM RESERVES:	(0.00)	(0.00)
CONTRIBUTION TO RESERVES: ⁽³⁾	<u>524.99</u>	<u>539.10</u>
BALANCE TO LEVY:	\$3,667.30	\$9,027.60

⁽¹⁾ Includes landscape maintenance, repair, replacement, water and electricity costs.

⁽²⁾ Includes Consultants, City & County administration, publication costs and contingency.

⁽³⁾ Includes landscape and/or masonry wall replacement costs.

5.3 Landscape Reserve Information

Zone 14 Landscape Reserve Information

DESCRIPTION	AMOUNT
Landscape Reserve Beginning Balance – June 30, 2008	\$0.00
Contribution to Landscape Reserves	500.00
LANDSCAPE RESERVE ENDING BALANCE – JUNE 30, 2009	\$ 500.00

Zone 15 Landscape Reserve Information

DESCRIPTION	AMOUNT
Landscape Reserve Beginning Balance– June 30, 2008	\$0.00
Contribution to Landscape Reserve	18.81
LANDSCAPE RESERVE ENDING BALANCE – JUNE 30, 2009	\$ 18.81

Zone 16 Landscape Reserve Information

DESCRIPTION	AMOUNT
Landscape Reserve Beginning Balance – June 30, 2008	\$0.00
Contribution to Landscape Reserves	6.18
LANDSCAPE RESERVE ENDING BALANCE – JUNE 30, 2009	\$ 6.18

Total Landscape Reserve Information

DESCRIPTION	AMOUNT
Landscape Reserve Beginning Balance– June 30, 2008	\$0.00
Contribution to Landscape Reserve	524.99
LANDSCAPE RESERVE ENDING BALANCE – JUNE 30, 2009	\$ 524.99

6. ASSESSMENT DIAGRAMS

Assessment Diagrams for the Annexation have been submitted to the [City Clerk](#) in the format required under the provisions of the Act. Enclosed are facsimiles of said submittal. The lines and dimensions shown on maps of the County Assessor of the County of [San Joaquin](#) for the current year are incorporated by reference herein and are made a part of this Report.

7. ASSESSMENT ROLL

Parcel Identification, for each lot or parcel within the District, shall be the parcel as shown on the [San Joaquin County Assessor's map](#) for the year in which this Report is prepared.

A listing of parcels assessed within the District, along with the assessment amounts, is included on the following page(s). If any parcel submitted for collection is identified by the County Auditor/Controller to be an invalid parcel number for the current fiscal year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County Auditor/Controller. The assessment amount to be levied and collected for the resubmitted parcel(s) shall be based on the method of apportionment and assessment rate approved in this Report. Therefore, if a single parcel has changed to multiple parcels, the assessment amounts applied to each of the new parcels shall be recalculated and applied according to the approved method of apportionment and assessment rate rather than a proportionate share of the original assessment.

FISCAL YEAR 2008/09 ASSESSMENT ROLL[illegible]

MAXIMUM ASSESSMENT ROLL

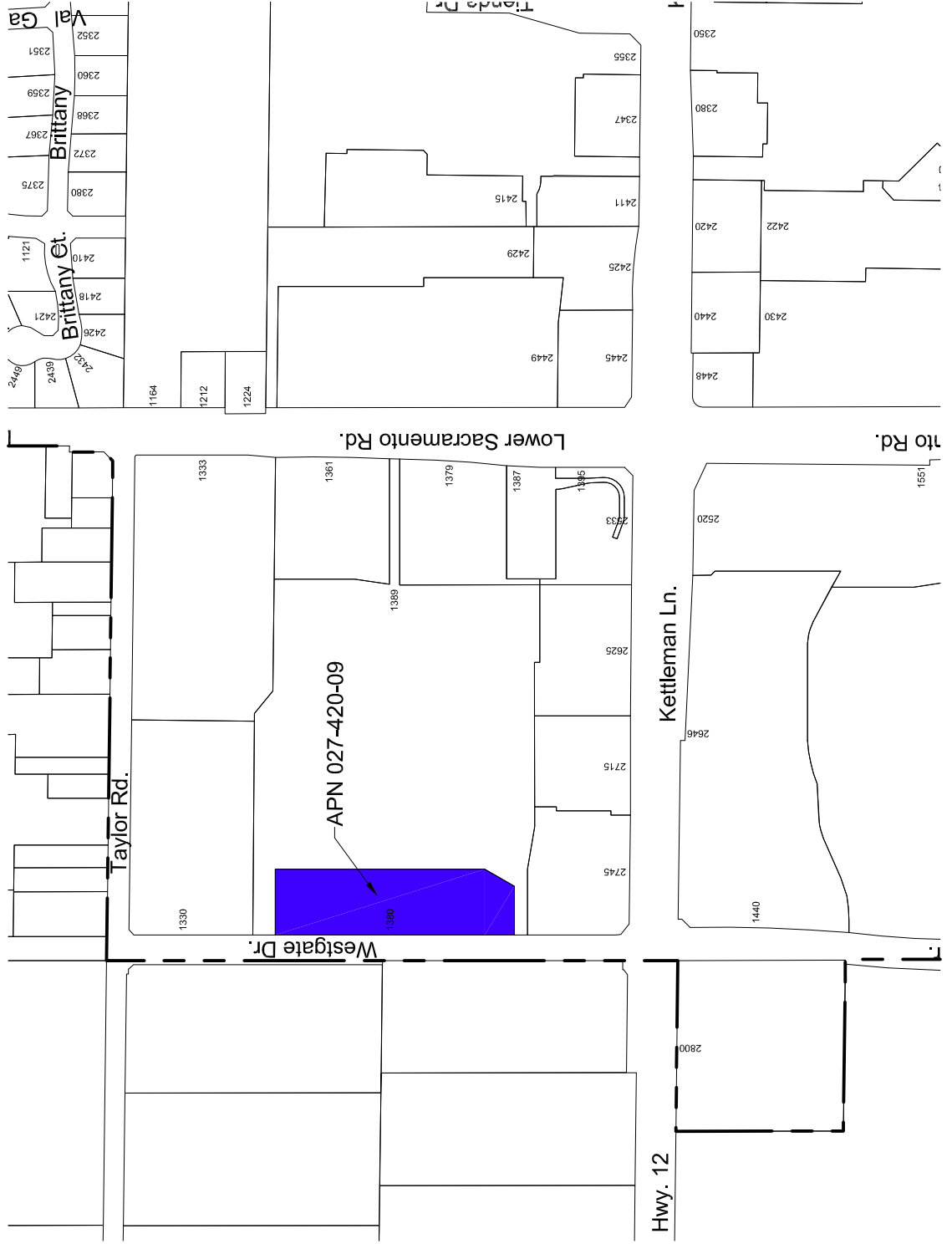
[illegible]



CITY OF LODI

PUBLIC WORKS DEPARTMENT

AREA OF BENEFIT LUCA PLACE - ZONE 14 EXHIBIT 2

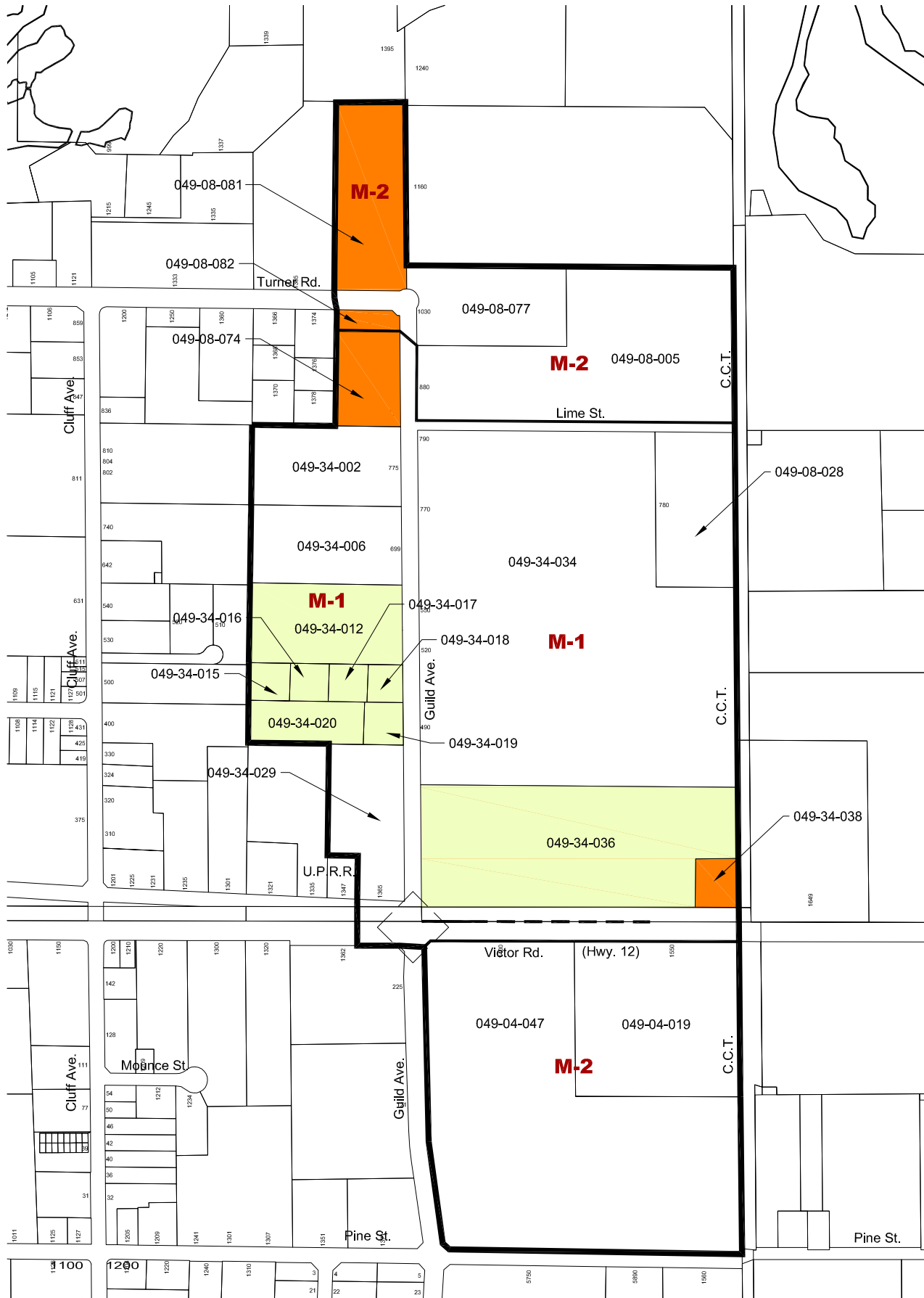




CITY OF LODI

PUBLIC WORKS DEPARTMENT

AREA OF BENEFIT GUILD AVENUE INDUSTRIAL EXHIBIT 3



Legend

- Zone 13
- Zone 15



1" = 600'

City of Lodi
Lodi Consolidated LMD No. 2003-1
Zone 15
Fiscal Year 2008/09
Assessment Roll

ZONE	APN	Acreage	Status	AMT PER dueF	dueF	FY 2008/09 ASSESSMENT
15	049-340-38	0.832	Comm	\$13.57	3.33	\$45.16
15	049-330-11	2.590	Ind	\$13.57	10.36	\$140.59
15	049-330-04	5.190	Ind	\$13.57	20.76	\$281.72
15	049-330-10	0.551	Ind	\$13.57	2.20	\$29.91
Future	049-340-36	13.820	Ind	\$13.57	55.28	\$0.00
Future	049-340-12	5.000	Ind	\$13.57	20.00	\$0.00
Future	049-340-18	0.459	Ind	\$13.57	1.84	\$0.00
Future	049-340-17	0.571	Ind	\$13.57	2.28	\$0.00
Future	049-340-16	0.570	Ind	\$13.57	2.28	\$0.00
Future	049-340-15	0.606	Ind	\$13.57	2.42	\$0.00
Future	049-340-20	1.917	Ind	\$13.57	7.67	\$0.00
Future	049-340-19	0.572	Ind	\$13.57	2.29	\$0.00
Future	049-330-08	13.500	Ind	\$13.57	54.00	\$0.00
Future	049-340-29	4.490	Ind	\$13.57	17.96	\$0.00
Future	049-340-06	5.000	Ind	\$13.57	20.00	\$0.00
Future	049-340-02	5.000	Ind	\$13.57	20.00	\$0.00
Future	049-340-33	5.000	Ind	\$13.57	20.00	\$0.00
Future	049-330-09	4.790	Ind	\$13.57	19.16	\$0.00
Future	049-340-34	38.530	Ind	\$13.57	154.12	\$0.00
Future	049-320-16	10.000	Ind	\$13.57	40.00	\$0.00
Future	049-320-15	27.130	Ind	\$13.57	108.52	\$0.00
		136.955			547.82	\$497.36

City of Lodi
Lodi Consolidated LMD No. 2003-1
Zone 15
Maximum Assessment
Assessment Roll

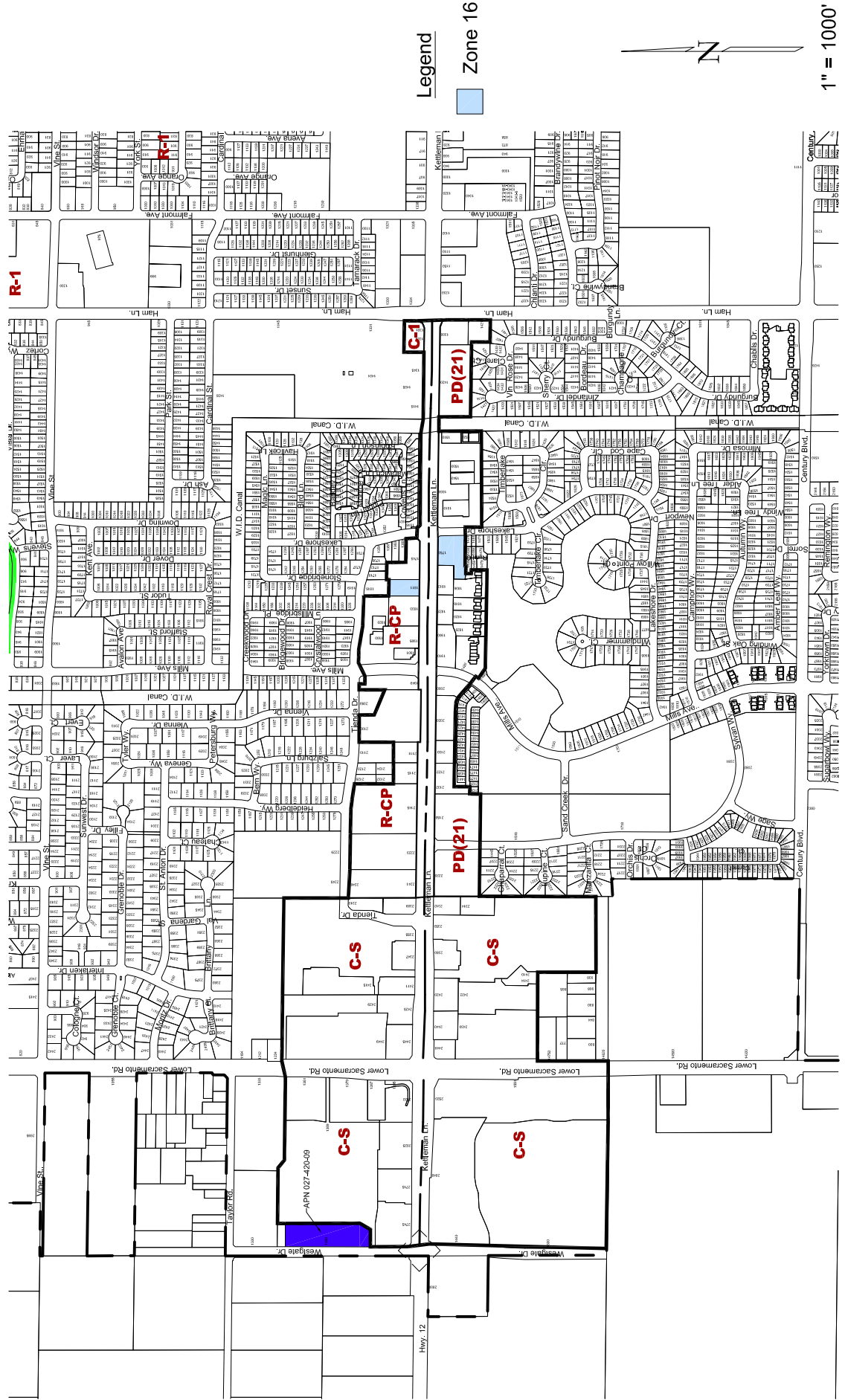
ZONE	APN	Acreage	Status	AMT PER dueF	dueF	FY 2008/09 ASSESSMENT
15	049-340-38	0.832	Comm	\$108.26	3.33	\$360.29
15	049-330-11	2.590	Ind	\$108.26	10.36	\$1,121.57
15	049-330-04	5.190	Ind	\$108.26	20.76	\$2,247.48
15	049-330-10	0.551	Ind	\$108.26	2.20	\$238.61
Future	049-340-36	13.820	Ind	\$108.26	55.28	\$0.00
Future	049-340-12	5.000	Ind	\$108.26	20.00	\$0.00
Future	049-340-18	0.459	Ind	\$108.26	1.84	\$0.00
Future	049-340-17	0.571	Ind	\$108.26	2.28	\$0.00
Future	049-340-16	0.570	Ind	\$108.26	2.28	\$0.00
Future	049-340-15	0.606	Ind	\$108.26	2.42	\$0.00
Future	049-340-20	1.917	Ind	\$108.26	7.67	\$0.00
Future	049-340-19	0.572	Ind	\$108.26	2.29	\$0.00
Future	049-330-08	13.500	Ind	\$108.26	54.00	\$0.00
Future	049-340-29	4.490	Ind	\$108.26	17.96	\$0.00
Future	049-340-06	5.000	Ind	\$108.26	20.00	\$0.00
Future	049-340-02	5.000	Ind	\$108.26	20.00	\$0.00
Future	049-340-33	5.000	Ind	\$108.26	20.00	\$0.00
Future	049-330-09	4.790	Ind	\$108.26	19.16	\$0.00
Future	049-340-34	38.530	Ind	\$108.26	154.12	\$0.00
Future	049-320-16	10.000	Ind	\$108.26	40.00	\$0.00
Future	049-320-15	27.130	Ind	\$108.26	108.52	\$0.00
		136.955			547.82	\$3,967.94



CITY OF LODI

PUBLIC WORKS DEPARTMENT

AREA OF BENEFIT WEST KETTLEMAN LANE COMMERCIAL EXHIBIT 4



City of Lodi
Lodi Consolidated LMD No. 2003-1
Zone 16
Fiscal Year 2008/09
Assessment Roll

ZONE	APN	Acreage	Status	AMT PER dueF	dueF	2008-09 ASSESSMENT
16	031-330-10	0.581	CO	\$31.66	2.91	\$91.98
16	058-160-86	1.092	CO	\$31.66	5.46	\$172.86
Future	027-410-05	4.950	CO	\$31.66	24.75	\$0.00
Future	027-410-06	2.340	CO	\$31.66	11.70	\$0.00
Future	027-410-07	1.070	CO	\$31.66	5.35	\$0.00
Future	027-410-08	1.080	CO	\$31.66	5.40	\$0.00
Future	027-410-09	1.810	CO	\$31.66	9.05	\$0.00
Future	027-410-10	0.730	CO	\$31.66	3.65	\$0.00
Future	027-410-11	9.060	CO	\$31.66	41.40	\$0.00
Future	027-410-12	0.760	CO	\$31.66	3.80	\$0.00
Future	027-410-13	0.491	CO	\$31.66	2.46	\$0.00
Future	027-410-14	0.599	CO	\$31.66	3.00	\$0.00
Future	027-410-15	2.130	School	\$31.66	10.65	\$0.00
Future	027-410-16	2.670	Church	\$31.66	13.35	\$0.00
Future	027-410-17	3.680	Sr Apts	\$31.66	18.40	\$0.00
Future	027-410-20	0.560	CO	\$31.66	2.80	\$0.00
Future	027-410-21	0.560	CO	\$31.66	2.80	\$0.00
Future	027-410-22	3.050	Church	\$31.66	15.25	\$0.00
Future	027-420-01	1.755	CR	\$31.66	8.78	\$0.00
Future	027-420-02	1.300	CR	\$31.66	6.50	\$0.00
Future	027-420-03	1.740	CR	\$31.66	8.70	\$0.00
Future	027-420-06	2.000	CR	\$31.66	10.00	\$0.00
Future	027-420-07	11.720	CR	\$31.66	48.05	\$0.00
Future	027-420-12	1.910	CR	\$31.66	9.55	\$0.00
Future	027-420-13	0.880	CR	\$31.66	4.40	\$0.00
Future	027-420-14	1.200	CR	\$31.66	6.00	\$0.00
Future	031-040-28	1.280	CO	\$31.66	6.40	\$0.00
Future	031-040-30	0.670	CR	\$31.66	3.35	\$0.00
Future	031-280-04	2.720	CO	\$31.66	13.60	\$0.00
Future	031-300-01	0.155	CO	\$31.66	0.78	\$0.00
Future	031-300-02	0.052	CO	\$31.66	0.26	\$0.00
Future	031-300-04	0.155	CO	\$31.66	0.78	\$0.00
Future	031-300-05	0.052	CO	\$31.66	0.26	\$0.00
Future	031-330-09	1.133	CO	\$31.66	5.67	\$0.00
Future	031-330-11	0.985	CO	\$31.66	4.93	\$0.00
Future	058-030-11	6.970	CR	\$31.66	34.85	\$0.00
Future	058-030-12	9.260	CR	\$31.66	41.90	\$0.00
Future	058-030-13	18.290	CR	\$31.66	60.36	\$0.00
Future	058-140-01	0.450	CR	\$31.66	2.25	\$0.00
Future	058-140-33	0.855	CR	\$31.66	4.28	\$0.00
Future	058-140-35	12.450	CR	\$31.66	49.88	\$0.00
Future	058-140-42	0.792	CR	\$31.66	3.96	\$0.00

ZONE	APN	Acreage	Status	AMT PER dueF	dueF	2008-09 ASSESSMENT
Future	058-140-43	0.894	CR	\$31.66	4.47	\$0.00
Future	058-140-44	4.290	CR	\$31.66	21.45	\$0.00
Future	058-140-45	2.610	CR	\$31.66	13.05	\$0.00
Future	058-140-48	0.561	CR	\$31.66	2.81	\$0.00
Future	058-140-49	0.730	CR	\$31.66	3.65	\$0.00
Future	058-140-50	0.520	CR	\$31.66	2.60	\$0.00
Future	058-160-29	0.560	CO	\$31.66	2.80	\$0.00
Future	058-160-32	0.550	CO	\$31.66	2.75	\$0.00
Future	058-160-78	1.024	CO	\$31.66	5.12	\$0.00
Future	058-160-82	0.899	CO	\$31.66	4.50	\$0.00
Future	058-160-83	0.496	CO	\$31.66	2.48	\$0.00
Future	058-160-84	0.620	CO	\$31.66	3.10	\$0.00
Future	058-160-89	0.811	CO	\$31.66	4.06	\$0.00
Future	058-260-40	1.390	CO	\$31.66	6.95	\$0.00
Future	058-260-41	0.882	CO	\$31.66	4.41	\$0.00
Future	058-260-42	0.882	CO	\$31.66	4.41	\$0.00
Future	058-260-43	0.748	CO	\$31.66	3.74	\$0.00
Future	058-260-46	0.347	CO	\$31.66	1.74	\$0.00
Future	058-260-47	0.442	CO	\$31.66	2.21	\$0.00
Future	058-320-01	0.102	CO	\$31.66	0.51	\$0.00
Future	058-320-02	0.073	CO	\$31.66	0.37	\$0.00
Future	058-320-03	0.102	CO	\$31.66	0.51	\$0.00
Future	058-320-07	0.114	CO	\$31.66	0.57	\$0.00
Future	058-320-08	0.057	CO	\$31.66	0.28	\$0.00
Future	058-350-01	0.083	CO	\$31.66	0.41	\$0.00
Future	058-350-02	0.075	CO	\$31.66	0.37	\$0.00
Future	058-350-03	0.099	CO	\$31.66	0.50	\$0.00
Future	058-350-04		CO	\$31.66	0.00	\$0.00
Future	058-350-05	0.116	CO	\$31.66	0.58	\$0.00
Future	058-350-06	0.058	CO	\$31.66	0.29	\$0.00
Future	058-350-07	0.116	CO	\$31.66	0.58	\$0.00
Future	058-370-02	2.400	Conv. Care	\$31.66	12.00	\$0.00
Future	058-370-03	2.400	Conv. Care	\$31.66	12.00	\$0.00
Future	058-380-01	0.074	CO	\$31.66	0.37	\$0.00
Future	058-380-02	0.074	CO	\$31.66	0.37	\$0.00
Future	058-380-03	0.074	CO	\$31.66	0.37	\$0.00
Future	058-380-04	0.074	CO	\$31.66	0.37	\$0.00
Future	058-380-05	0.074	CO	\$31.66	0.37	\$0.00
Future	058-380-06	0.056	CO	\$31.66	0.28	\$0.00
Future	058-380-07	0.371	CO	\$31.66	1.86	\$0.00
Future	058-380-08	0.074	CO	\$31.66	0.37	\$0.00
Future	058-380-09	0.130	CO	\$31.66	0.65	\$0.00
Future	058-380-10	0.074	CO	\$31.66	0.37	\$0.00
Future	058-380-11	0.074	CO	\$31.66	0.37	\$0.00
Future	058-380-12	0.074	CO	\$31.66	0.37	\$0.00
Future	058-380-13	0.130	CO	\$31.66	0.65	\$0.00
Future	058-390-01	0.083	CO	\$31.66	0.41	\$0.00
Future	058-390-02	0.075	CO	\$31.66	0.37	\$0.00

ZONE	APN	Acreage	Status	AMT PER dueF	dueF	2008-09 ASSESSMENT
Future	058-390-03	0.099	CO	\$31.66	0.50	\$0.00
Future	058-390-05	0.116	CO	\$31.66	0.58	\$0.00
Future	058-390-06	0.058	CO	\$31.66	0.29	\$0.00
Future	058-390-07	0.116	CO	\$31.66	0.58	\$0.00
Future	058-400-01	0.037	CO	\$31.66	0.19	\$0.00
Future	058-400-02	0.037	CO	\$31.66	0.19	\$0.00
Future	058-400-03	0.037	CO	\$31.66	0.19	\$0.00
Future	058-400-04	0.065	CO	\$31.66	0.32	\$0.00
Future	058-400-05	0.278	CO	\$31.66	1.39	\$0.00
Future	058-400-06	0.037	CO	\$31.66	0.19	\$0.00
Future	058-400-08	0.037	CO	\$31.66	0.19	\$0.00
Future	058-400-09	0.037	CO	\$31.66	0.19	\$0.00
Future	058-400-10	0.037	CO	\$31.66	0.19	\$0.00
Future	058-400-11	0.065	CO	\$31.66	0.32	\$0.00
Future	058-400-12	0.278	CO	\$31.66	1.39	\$0.00
Future	058-400-13	0.037	CO	\$31.66	0.19	\$0.00
Future	060-020-01	2.520	CR	\$37.24	12.60	\$0.00
Future	060-020-03	0.770	CR	\$31.66	3.85	\$0.00
Future	060-020-04	0.558	CR	\$31.66	2.79	\$0.00
		147.769			676.53	264.84

City of Lodi
Lodi Consolidated LMD No. 2003-1
Zone 16
Maximum Assessment
Assessment Roll

ZONE	APN	Acreage	Status	AMT PER dueF	dueF	MAXIMUM ASSESSMENT
16	031-330-10	0.581	CO	\$37.24	2.91	\$108.18
16	058-160-86	1.092	CO	\$37.24	5.46	\$203.34
Future	027-410-05	4.950	CO	\$37.24	24.75	\$0.00
Future	027-410-06	2.340	CO	\$37.24	11.70	\$0.00
Future	027-410-07	1.070	CO	\$37.24	5.35	\$0.00
Future	027-410-08	1.080	CO	\$37.24	5.40	\$0.00
Future	027-410-09	1.810	CO	\$37.24	9.05	\$0.00
Future	027-410-10	0.730	CO	\$37.24	3.65	\$0.00
Future	027-410-11	9.060	CO	\$37.24	41.40	\$0.00
Future	027-410-12	0.760	CO	\$37.24	3.80	\$0.00
Future	027-410-13	0.491	CO	\$37.24	2.46	\$0.00
Future	027-410-14	0.599	CO	\$37.24	3.00	\$0.00
Future	027-410-15	2.130	School	\$37.24	10.65	\$0.00
Future	027-410-16	2.670	Church	\$37.24	13.35	\$0.00
Future	027-410-17	3.680	Sr Apts	\$37.24	18.40	\$0.00
Future	027-410-20	0.560	CO	\$37.24	2.80	\$0.00
Future	027-410-21	0.560	CO	\$37.24	2.80	\$0.00
Future	027-410-22	3.050	Church	\$37.24	15.25	\$0.00
Future	027-420-01	1.755	CR	\$37.24	8.78	\$0.00
Future	027-420-02	1.300	CR	\$37.24	6.50	\$0.00
Future	027-420-03	1.740	CR	\$37.24	8.70	\$0.00
Future	027-420-06	2.000	CR	\$37.24	10.00	\$0.00
Future	027-420-07	11.720	CR	\$37.24	48.05	\$0.00
Future	027-420-12	1.910	CR	\$37.24	9.55	\$0.00
Future	027-420-13	0.880	CR	\$37.24	4.40	\$0.00
Future	027-420-14	1.200	CR	\$37.24	6.00	\$0.00
Future	031-040-28	1.280	CO	\$37.24	6.40	\$0.00
Future	031-040-30	0.670	CR	\$37.24	3.35	\$0.00
Future	031-280-04	2.720	CO	\$37.24	13.60	\$0.00
Future	031-300-01	0.155	CO	\$37.24	0.78	\$0.00
Future	031-300-02	0.052	CO	\$37.24	0.26	\$0.00
Future	031-300-04	0.155	CO	\$37.24	0.78	\$0.00
Future	031-300-05	0.052	CO	\$37.24	0.26	\$0.00
Future	031-330-09	1.133	CO	\$37.24	5.67	\$0.00
Future	031-330-11	0.985	CO	\$37.24	4.93	\$0.00
Future	058-030-11	6.970	CR	\$37.24	34.85	\$0.00
Future	058-030-12	9.260	CR	\$37.24	41.90	\$0.00
Future	058-030-13	18.290	CR	\$37.24	60.36	\$0.00
Future	058-140-01	0.450	CR	\$37.24	2.25	\$0.00
Future	058-140-33	0.855	CR	\$37.24	4.28	\$0.00
Future	058-140-35	12.450	CR	\$37.24	49.88	\$0.00
Future	058-140-42	0.792	CR	\$37.24	3.96	\$0.00

ZONE	APN	Acreage	Status	AMT PER dueF	dueF	MAXIMUM ASSESSMENT
Future	058-140-43	0.894	CR	\$37.24	4.47	\$0.00
Future	058-140-44	4.290	CR	\$37.24	21.45	\$0.00
Future	058-140-45	2.610	CR	\$37.24	13.05	\$0.00
Future	058-140-48	0.561	CR	\$37.24	2.81	\$0.00
Future	058-140-49	0.730	CR	\$37.24	3.65	\$0.00
Future	058-140-50	0.520	CR	\$37.24	2.60	\$0.00
Future	058-160-29	0.560	CO	\$37.24	2.80	\$0.00
Future	058-160-32	0.550	CO	\$37.24	2.75	\$0.00
Future	058-160-78	1.024	CO	\$37.24	5.12	\$0.00
Future	058-160-82	0.899	CO	\$37.24	4.50	\$0.00
Future	058-160-83	0.496	CO	\$37.24	2.48	\$0.00
Future	058-160-84	0.620	CO	\$37.24	3.10	\$0.00
Future	058-160-89	0.811	CO	\$37.24	4.06	\$0.00
Future	058-260-40	1.390	CO	\$37.24	6.95	\$0.00
Future	058-260-41	0.882	CO	\$37.24	4.41	\$0.00
Future	058-260-42	0.882	CO	\$37.24	4.41	\$0.00
Future	058-260-43	0.748	CO	\$37.24	3.74	\$0.00
Future	058-260-46	0.347	CO	\$37.24	1.74	\$0.00
Future	058-260-47	0.442	CO	\$37.24	2.21	\$0.00
Future	058-320-01	0.102	CO	\$37.24	0.51	\$0.00
Future	058-320-02	0.073	CO	\$37.24	0.37	\$0.00
Future	058-320-03	0.102	CO	\$37.24	0.51	\$0.00
Future	058-320-07	0.114	CO	\$37.24	0.57	\$0.00
Future	058-320-08	0.057	CO	\$37.24	0.28	\$0.00
Future	058-350-01	0.083	CO	\$37.24	0.41	\$0.00
Future	058-350-02	0.075	CO	\$37.24	0.37	\$0.00
Future	058-350-03	0.099	CO	\$37.24	0.50	\$0.00
Future	058-350-05	0.116	CO	\$37.24	0.58	\$0.00
Future	058-350-06	0.058	CO	\$37.24	0.29	\$0.00
Future	058-350-07	0.116	CO	\$37.24	0.58	\$0.00
Future	058-370-02	2.400	Conv. Care	\$37.24	12.00	\$0.00
Future	058-370-03	2.400	Conv. Care	\$37.24	12.00	\$0.00
Future	058-380-01	0.074	CO	\$37.24	0.37	\$0.00
Future	058-380-02	0.074	CO	\$37.24	0.37	\$0.00
Future	058-380-03	0.074	CO	\$37.24	0.37	\$0.00
Future	058-380-04	0.074	CO	\$37.24	0.37	\$0.00
Future	058-380-05	0.074	CO	\$37.24	0.37	\$0.00
Future	058-380-06	0.056	CO	\$37.24	0.28	\$0.00
Future	058-380-07	0.371	CO	\$37.24	1.86	\$0.00
Future	058-380-08	0.074	CO	\$37.24	0.37	\$0.00
Future	058-380-09	0.130	CO	\$37.24	0.65	\$0.00
Future	058-380-10	0.074	CO	\$37.24	0.37	\$0.00
Future	058-380-11	0.074	CO	\$37.24	0.37	\$0.00
Future	058-380-12	0.074	CO	\$37.24	0.37	\$0.00
Future	058-380-13	0.130	CO	\$37.24	0.65	\$0.00
Future	058-390-01	0.083	CO	\$37.24	0.41	\$0.00
Future	058-390-02	0.075	CO	\$37.24	0.37	\$0.00
Future	058-390-03	0.099	CO	\$37.24	0.50	\$0.00

ZONE	APN	Acreage	Status	AMT PER dueF	dueF	MAXIMUM ASSESSMENT
Future	058-390-04		CO	\$37.24	0.00	\$0.00
Future	058-390-05	0.116	CO	\$37.24	0.58	\$0.00
Future	058-390-06	0.058	CO	\$37.24	0.29	\$0.00
Future	058-390-07	0.116	CO	\$37.24	0.58	\$0.00
Future	058-400-01	0.037	CO	\$37.24	0.19	\$0.00
Future	058-400-02	0.037	CO	\$37.24	0.19	\$0.00
Future	058-400-03	0.037	CO	\$37.24	0.19	\$0.00
Future	058-400-04	0.065	CO	\$37.24	0.32	\$0.00
Future	058-400-05	0.278	CO	\$37.24	1.39	\$0.00
Future	058-400-06	0.037	CO	\$37.24	0.19	\$0.00
Future	058-400-08	0.037	CO	\$37.24	0.19	\$0.00
Future	058-400-09	0.037	CO	\$37.24	0.19	\$0.00
Future	058-400-10	0.037	CO	\$37.24	0.19	\$0.00
Future	058-400-11	0.065	CO	\$37.24	0.32	\$0.00
Future	058-400-12	0.278	CO	\$37.24	1.39	\$0.00
Future	058-400-13	0.037	CO	\$37.24	0.19	\$0.00
Future	060-020-01	2.520	CR	\$37.24	12.60	\$0.00
Future	060-020-03	0.770	CR	\$37.24	3.85	\$0.00
Future	060-020-04	0.558	CR	\$37.24	2.79	\$0.00
		147.769			676.53	311.52

RESOLUTION NO. 2008-_____

A RESOLUTION OF THE LODI CITY COUNCIL, STATE OF CALIFORNIA, FOR PRELIMINARY APPROVAL OF THE ENGINEER'S REPORT REGARDING THE PROPOSED ANNEXATION OF TERRITORY INTO THE LODI CONSOLIDATED LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT NO. 2003-1 AND LEVY AND COLLECTION OF ASSESSMENTS FOR FISCAL YEAR 2008/2009

=====

WHEREAS, the City Council pursuant to the provisions of the *Landscape and Lighting Act of 1972, Part 2, Division 15 of the California Streets and Highways Code (commencing with Section 22500)* (hereafter referred to as the "Act") did by previous Resolution, order the preparation of an Engineer's Report (hereafter referred to as the "Report") for the proposed annexation of territory into the Lodi Consolidated Landscape Maintenance District No. 2003-1 (hereafter referred to as the District"). The proposed annexation shall be known and designated as:

ZONE 14 – LUCA PLACE
ZONE 15 – GUILD AVENUE INDUSTRIAL
ZONE 16 – WEST KETTLEMAN LANE COMMERCIAL

WHEREAS, here has now been presented to this City Council the Report as required by *Chapter 2, Article 1, Section 22586* of said Act; and

WHEREAS, the City has carefully examined and reviewed the Report as presented and is preliminarily satisfied with the proposed Annexation, each and all of the budgets items and documents as set forth therein, and is satisfied that the levy amounts, on a preliminary basis, have been spread in accordance with the special benefit received from the improvements, operation, maintenance and services to be performed within said Annexation, as set forth in said Report.

NOW, THEREFORE BE IT RESOLVED, DETERMINED, AND ORDERED BY THE CITY COUNCIL FOR THE DISTRICT, AS FOLLOWS:

SECTION 1 That the above recitals are true and correct.

SECTION 2 That the "Report" as presented, consisting of the following:

- A. Description of Improvements.
- B. The Annual Budget (Costs and Expenses of Services, Operations and Maintenance).
- C. The Assessment Roll containing the Fiscal Year 2008/09 Levy for each Assessor Parcel within the Annexation is hereby approved on a preliminary basis, and ordered to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection.

SECTION 3 That the City Clerk shall certify to the passage and adoption of this Resolution, and the minutes of this meeting shall so reflect the presentation of the Report.

Dated: April 2, 2008

=====

I hereby certify that Resolution No. 2008-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held April 2, 2008, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk

2008-_____

RESOLUTION NO. 2008-_____

RESOLUTION OF THE LODI CITY COUNCIL, STATE OF CALIFORNIA, DECLARING ITS INTENTION TO ANNEX TERRITORY INTO THE LODI CONSOLIDATED LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT NO. 2003-1 AND TO PROVIDE FOR THE LEVY AND COLLECTION OF ASSESSMENTS IN SUCH ANNEXATION, SETTING A TIME AND PLACE FOR A PUBLIC HEARING THEREON AND ORDERING THE INITIATION OF ASSESSMENT BALLOT PROCEDURES

=====

WHEREAS, the Lodi City Council, pursuant to the terms of the *Landscape and Lighting Act of 1972, Part 2, Division 15 of the California Streets and Highways Code (commencing with Section 22500) (the "1972 Act")*, *Article XIID of the Constitution of the State of California ("Article XIID")* and the *Proposition 218 Omnibus Implementation Act (Government Code Section 53750 and following) (the "Implementation Act")* (the 1972 Act, Article XIID and the Implementation Act are referred to collectively as the "Assessment Law"), did, by previous Resolution, initiate proceedings to annex territory into a special assessment district and ordered the preparation of an Engineer's Report for the levy of assessments within such proposed annexation, such special assessment district known and designated as "Lodi Consolidated Landscape Maintenance District No. 2003-1" (hereafter referred to as the "District"). The areas proposed to be annexed shall be known as the "Annexation" and will become Zones within the District. Such Zones shall be known and designated as:

ZONE 14 – LUCA PLACE
ZONE 15 – GUILD AVENUE INDUSTRIAL
ZONE 16 – WEST KETTLEMAN LANE COMMERCIAL

WHEREAS, at this time the City Council desires to declare its intention to annex such territory into the District and to provide for the levy of assessments for the next ensuing fiscal year to provide for the costs and expenses necessary to pay for the maintenance of the improvements (defined below) in such Annexation; and

WHEREAS, there has been presented and preliminarily approved by this City Council the Engineer's Report, as required by the Assessment Law.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1 Recitals: The above recitals are all true and correct.

SECTION 2 Declaration of Intention: The public interest and convenience requires, and it is the intention of the City Council, to order the annexation of the above-described territory into the District and to levy and collect assessments to pay the annual costs and expenses for the maintenance and/or servicing of all of the improvements for the Annexation. Such improvements and the maintenance and servicing of such improvements are generally described as:

The improvements include: landscaping, planting, shrubbery, trees, turf, irrigation systems, lighting systems, street lighting, traffic signals, street sweeping, park maintenance and associated appurtenant facilities.

The maintenance of the improvements shall include the furnishing of services and materials for all necessary service, operations, administration and maintenance required to keep the improvements in a healthy, vigorous and satisfactory condition.

SECTION 3 Boundaries of District: The improvements are of special benefit to the properties within the boundaries of the Annexation. The City Council previously declared the boundaries to encompass the area specially benefited by such improvements, and for particulars, reference is made to the assessment diagram as previously approved by the City Council, a copy of which is on file in the Office of the City Clerk and open for public inspection, and is designated by the name of this District.

SECTION 4 Report of Assessment Engineer: The Assessment Engineer's Report, as preliminarily approved by the City Council is on file with the City Clerk and open for public inspection. Reference is made to such Report for a full and detailed description of the improvements to be maintained, the boundaries of the District and any zones therein, and the proposed assessments upon assessable lots and parcels of land within the Annexation.

SECTION 5 Public Hearing: Notice is hereby given that a Public Hearing is hereby scheduled to be held at 305 West Pine Street, Lodi, California, on May 7, 2008, at 7:00 p.m.

All interested persons shall be afforded the opportunity to hear and be heard. The City Council shall consider all oral statements and all written communications made or filed by any interested persons. The City Council shall, at the conclusion of the Public Hearing, also determine whether assessment ballots submitted pursuant to the Assessment Law in opposition to the proposed assessments within the district exceed assessment ballots submitted in favor of such proposed assessments.

RIGHT TO SUBMIT ASSESSMENT BALLOT

Pursuant to the provisions of the Assessment Law, each record owner of property proposed to be assessed has the right to submit an assessment ballot in favor of or in opposition to the proposed assessment.

Assessment ballots will be mailed to the record owner of each parcel located within the Annexation and subject to a proposed assessment. Each such owner may complete such assessment ballot and thereby indicate their support for or opposition to the proposed assessment. All such assessment ballots may be delivered by mail or personal delivery to the City Clerk at the following address at or before 5:00 p.m. on May 7, 2008:

City Clerk
City of Lodi
221 West Pine Street
Lodi, California 95240

After 5:00 p.m. on May 7, 2008, assessment ballots may be delivered to the City Clerk only at the location of the Public Hearing given above (305 West Pine Street, Lodi, California).

All assessment ballots must be received by the City Clerk prior to the time that the Public Hearing is closed. An assessment ballot which is delivered by mail with a postmark which is

prior to the date and time of the Public Hearing but which is not received by the City Clerk until after the Public Hearing is closed will not be counted.

At the conclusion of the Public Hearing, the City Council shall cause the assessment ballots timely received to be tabulated. If a majority protest exists, the City Council shall not impose an assessment within the Annexation. A majority protest exists if, upon the conclusion of the Public Hearing, assessment ballots submitted in opposition to the assessments within the Annexation exceed the assessment ballots submitted in favor of such assessments. In tabulating the assessment ballots, the assessment ballots shall be weighted according to the proportional financial obligation of the affected property.

SECTION 6 Notice: The City Clerk is hereby directed to mail notice pursuant to the Assessment Law of the Public Hearing and assessment ballot proceedings and the adoption of the Resolution of Intention and of the filing of the Assessment Engineer's Report, together with the assessment ballot materials, to the record owners of all real property proposed to be assessed.

SECTION 7 Proceedings Inquiries: The following staff person is designated to respond to all inquiries for any and all information relating to the proposed Annexation and these proceedings, including the assessment ballot procedure:

RICK CLARK
NBS
32605 TEMECULA PARKWAY, SUITE 100
TEMECULA, CA 92592
TELEPHONE: 800-676-7516

Dated: April 2, 2008

=====

I hereby certify that Resolution No. 2008-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held April 2, 2008, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk

2008-_____

RESOLUTION NO. 2008-_____

A RESOLUTION OF THE LODI CITY COUNCIL, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, INITIATING PROCEEDINGS FOR THE ANNEXATION OF TERRITORY INTO THE LODI CONSOLIDATED LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT NO. 2003-1 AND THE LEVY AND COLLECTION OF ASSESSMENTS FOR ZONES 14, 15 AND 16, FOR FISCAL YEAR 2008/09

=====

WHEREAS, the City Council has by previous Resolutions formed and levied annual assessments for the Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1 (hereafter referred to as the "District"), pursuant to the provisions of the *Landscape and Lighting Act of 1972, Part 2, Division 15 of the California Streets and Highways Code (commencing with Section 22500)* (hereafter referred to as the "Act") that provides for the levy and collection of assessments by the County of San Joaquin for the City of Lodi to pay the maintenance and services of all improvements and facilities related thereto; and

WHEREAS, the City Council desires to annex territory into the District; and, such territory receives special benefit from the improvements provided by the District; and

WHEREAS, the City Council has retained NBS for the purpose of assisting with the annexation of territory and Annual Levy of the District, and to prepare and file a report with the City Clerk in accordance with the Act.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED BY THE CITY COUNCIL FOR THE DISTRICT, PURSUANT TO *CHAPTER 2, SECTION 22585, OF THE ACT*, AS FOLLOWS:

Section 1 Proposal: The City Council hereby proposes the annexation of territory into the District, as described below, and the levy and collection of assessments.

Section 2 Engineer's Report: The City Council hereby orders NBS to prepare and file with the City Clerk the Engineer's Report concerning the annexation of the territory into the District and the levy and collection of assessments for the fiscal year commencing July 1, 2008 and ending June 30, 2009 in accordance with *Chapter 1, Article 4, Section 22565* of the Act.

Section 3 Proposed improvements: The proposed improvements within the District may include, but are not limited to: landscaping, planting, shrubbery, trees, turf, irrigation systems, lighting systems, street lighting, traffic signals, street sweeping and appurtenant facilities. Services provided include all necessary service, operations, administration and maintenance required to keep the improvements in a healthy, vigorous and satisfactory condition. The Engineer's Annexation and Annual Levy Report describes all improvements.

Section 4 District designation: The District is designated as: LODI CONSOLIDATED LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT NO. 2003-1". The territory proposed to be annexed consists of the following Zones:

ZONE 14 – LUCA PLACE
ZONE 15 – GUILD AVENUE INDUSTRIAL
ZONE 16 – WEST KETTLEMAN LANE COMMERCIAL

Dated: April 2, 2008

=====

I hereby certify that Resolution No. 2008-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held April 2, 2008, by the following vote:

AYES: COUNCIL MEMBERS –
NOES: COUNCIL MEMBERS –
ABSENT: COUNCIL MEMBERS –
ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk

2008-_____

Comments by the public on non-agenda items

THE TIME ALLOWED PER NON-AGENDA ITEM FOR COMMENTS MADE BY THE PUBLIC IS LIMITED TO FIVE MINUTES.

The City Council cannot deliberate or take any action on a non-agenda item unless there is factual evidence presented to the City Council indicating that the subject brought up by the public does fall into one of the exceptions under Government Code Section 54954.2 in that (a) there is an emergency situation, or (b) the need to take action on the item arose subsequent to the agenda's being posted.

Unless the City Council is presented with this factual evidence, the City Council will refer the matter for review and placement on a future City Council agenda.

Comments by the City Council Members on non-agenda items



CITY OF LODI

COUNCIL COMMUNICATION

TM

AGENDA TITLE: Post for Expiring Terms and Vacancies on the Greater Lodi Area Youth Commission (Adult Advisors & Student Appointees), Library Board of Trustees, Lodi Arts Commission, Lodi Budget/Finance Committee, and Planning Commission

MEETING DATE: April 2, 2008

PREPARED BY: City Clerk

RECOMMENDED ACTION: Direct the City Clerk to post for expiring terms and vacancies on the Greater Lodi Area Youth Commission (Adult Advisors & Student Appointees), Library Board of Trustees, Lodi Arts Commission, Lodi Budget/Finance Committee, and Planning Commission.

BACKGROUND INFORMATION: A number of terms are due to expire on several boards and commissions. In addition, two members of the Youth Commission are seniors in high school and will be resigning their positions on the Commission. It is, therefore, recommended that the City Council direct the City Clerk to post for the expiring terms shown below:

Greater Lodi Area Youth Commission

Adult Advisor:

Isaac Morales Term to expire May 31, 2008

Student Appointees:

Megan Connors Term to expire May 31, 2008

Lee Kraljev Term to expire May 31, 2008

Amanda Stevens Term to expire May 31, 2008

Jacob Pearson Term to expire May 31, 2008

Joseph Price Term to expire May 31, 2008

Jonathan Newman Term to expire May 31, 2009

Corinne Casey Term to expire May 31, 2009

Library Board of Trustees

Juan Villarreal Term to expire June 30, 2008

Lodi Arts Commission

Judy Bader Term to expire July 1, 2008

Lodi Budget/Finance Committee

John Johnson Term to expire June 30, 2008

Dave Kirsten Term to expire June 30, 2008

Kurt Roberts Term to expire June 30, 2008

Planning Commission

Wendel Kiser Term to expire June 30, 2008

Dennis White Term to expire June 30, 2008

APPROVED: _____

Blair King, City Manager

Government Code Section 54970 et seq. requires that the City Clerk post for vacancies to allow citizens interested in serving to submit an application. The City Council is requested to direct the City Clerk to make the necessary postings.

FISCAL IMPACT: None.

FUNDING AVAILABLE: None required.

Randi Johl
City Clerk

RJ/JMP



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Appointment to the San Joaquin County Emergency Food and Shelter Program
MEETING DATE: April 2, 2008
PREPARED BY: City Clerk

RECOMMENDED ACTION: Concur with appointment to the San Joaquin County Emergency Food and Shelter Program.

BACKGROUND INFORMATION: At the Shirtsleeve Session of March 20, 2007, the City Council discussed the status of a number of Council-appointed boards and commissions, including the San Joaquin County Emergency Food and Shelter Program. It was suggested at the meeting that a member of City staff serve as the representative to the Committee due to the fact that it may be connected with Community Development Block Grant or other funding. It is, therefore, recommended that the City Council concur with the following appointment.

San Joaquin County Emergency Food and Shelter Program

Community Improvement Manager Unspecified term limit

FISCAL IMPACT: None.

FUNDING AVAILABLE: None required.

Randi Johl
City Clerk

RJ/JMP

APPROVED: _____
Blair King, City Manager



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Approve Business Points for Solid Waste Franchise Renewal

MEETING DATE: April 2, 2008

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Approve business points described below for the solid waste franchise renewal.

BACKGROUND INFORMATION: In December 2007, the City Council directed staff to attempt to negotiate a renewal of the solid waste franchise with Central Valley Waste Services (CVWS). The intent was to do so before the required decision point (renew or bid) in the franchise agreement as this would give the City the most leverage in negotiating a favorable extension and still leave time to have a request for proposals prepared if the decision was not to renew.

Staff has met with CVWS representatives on several occasions with the following goals:

- Work with the existing franchise agreement framework
- No major changes in the basic services (i.e., the three-cart system) and the rate structure
- Keep the rates where they are now; i.e., no increase
- Improve services to both individual customers for special trash removal, such as improvements to the voucher system, and the citizenry as a whole in terms of keeping the City clean

With these goals in mind, the parties have prepared the following renewal business points. Staff is seeking Council direction on these points prior to drafting the actual renewal language.

- 1) Street sweeping – CVWS will be responsible for street sweeping at the same frequencies (or better) being done now by the City. This includes downtown sweeping, similar to what the City had done before reductions in service due to budget constraints. This also includes winter leaf pickup, which would be done with additional sweepers; hence one change from past practices is that customers would be asked to not pile leaves.
- 2) Public on-street trash container service – CVWS will service these containers (mainly in the Downtown) at no additional charge.
- 3) City service – CVWS will service the trash containers/bins at City facilities, including parks, at no additional charge.
- 4) Billing service – CVWS will continue to reimburse the City for a share of billing expenses and the amount will be indexed the same as the annual CPI rate adjustments. For the past several years, the amount has been fixed.
- 5) Hazardous waste – CVWS will host quarterly electronic/universal waste and annual household hazardous waste collection events at their Turner Road facility or other Lodi location.

APPROVED: _____
Blair King, City Manager

- 6) Annual rate adjustments – will be the same as the annual change in the Consumer Price Index. This is a very slight increase in future adjustments, as they are now at 80% of the CPI. The difference typically has been fractions of a percent.
- 7) Renewal term – is another seven years with one CVWS option to renew for an additional seven years. Staff recommends that the new term start in 2008.
- 8) Technical ordinance revisions – CVWS has asked for clarification of some definitions of service classes.
- 9) Compactor rates – CVWS has asked for a new rate for servicing certain types of large trash compactors that are labor intensive.

The provisions for public services (1, 2 and 3 above) would include provisions for growth.

The business points will need to be drafted into detailed terms in an amendment to the franchise agreement, including performance criteria and measures as appropriate. Pending Council direction, staff will attempt to have this done and brought back to the City Council for approval before FY 08/09.

FISCAL IMPACT: The proposed terms will have a positive fiscal impact on the City and its taxpayers in both direct cost savings and indirect improvements in service. The direct cost of trash service that would now be included in the franchise is approximately \$70,000 per year. Indirect savings that would improve service will result from staff time now being utilized for street sweeping and downtown and park trash collection. Also, there will be cost savings resulting from not having to maintain various pieces of equipment, mainly street sweepers.

FUNDING AVAILABLE: Not applicable.

Richard C. Prima, Jr.
Public Works Director

RCP/pmf



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Provide Staff Direction Regarding Water and Wastewater Rate Revenue Accounting

MEETING DATE: April 2, 2008

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Direct the City Manager to:

- Rebalance operations and capital sub-funds within the water and wastewater utilities
- Place water/wastewater rate revenue into operations sub-fund and transfer to capital as needed through the budget process
- Simplify billing by combining the separate "infrastructure charge" with the base charge but keep the water PCE/TCE charge separate
- Update revenue/rate models in FY 08/09

BACKGROUND INFORMATION: In 2001, the City Council approved significant water and wastewater rate increases, in a large part, to address capital maintenance needs for these utilities. At Council's direction, the increase was itemized separately on customer bills as "replacement program".

As City staff implemented this specific direction and attempted to implement our interpretation of the Council's intentions, this revenue has been tracked separately and placed into the capital "sub-funds" within the respective utility enterprise funds. However, that rate increase was not solely intended to be for capital replacement. Increased operations costs, building an overall reserve within the enterprises, and meeting upcoming regulatory requirements were also part of the analysis that resulted in the rate increases, as described in the attached presentation.

Normally, staff would make these adjustments within the enterprise funds without specific Council direction. However, given that there is an impression that all the "infrastructure replacement" revenue is for one specific purpose, staff is presenting this for public information and for further Council direction.

FISCAL IMPACT: No direct impacts, however, implementing the recommendations will make future rate and revenue analysis and presentation more efficient.

FUNDING AVAILABLE: Not applicable.

Richard C. Prima, Jr.
Public Works Director

RCP/PJF/pmf
Attachment

APPROVED: _____
Blair King, City Manager

Water Services Infrastructure Replacement Charges & Fund Balance

City Council
April 2, 2008

1

Water Services Funds

- Water and Wastewater enterprise funds both have “sub-funds” for Operations, Capital and Development Impact Mitigation Fees (IMF)
- State law requires separate fund for IMF
(not discussed further in this presentation)
- Standard practice provides separation of Operation and Capital funds

2

Historical Background

- All revenue from rates went to Operating fund
- Transfers to Capital fund would be made periodically as needed
- Council directed in 2001 that the rate increase be identified specifically on the bill for infrastructure replacement (not included in Resolution)
- Following 2002 rate increase, the “infrastructure” revenue was placed directly in the capital sub-fund

3

The Problem

- Both Funds have a large cash imbalance between operating (negative) and capital (positive)
 - Water Operating: (\$8.5 million)
 - Water Capital: \$7.5 million
 - Sewer Operating: (\$8.8 million)
 - Sewer Capital: \$11.3 million

4

The Cause

- **Not all of the 2002 rate increase was for capital expenses**
- Motion to approve rate increase included identification on bill, but was not discussed earlier
- Operating costs have increased greater than anticipated
- All “infrastructure” revenue placed in capital sub-fund

5

The Fix

- Make transfers to rebalance operations and capital sub-funds within the water and wastewater utilities
- Place all rate revenue into operation sub-fund, transfer to capital as needed through budget process
- Simplify billing – combine “infrastructure charge” with base charge (keep water PCE/TCE charge separate)
- Options presented at end of presentation

6

Rate Issues

- Historically, the City went many years between rate increases
- Rate adjustments were not planned very far in advance
- Policies regarding internal charges (cost of services) and in-lieu transfer to the General Fund have varied considerably
- Reserve targets were not established

7

Water Services Rate Increase History

Water		Wastewater	
<u>Date</u>	<u>% Chg.</u>	<u>Date</u>	<u>% Chg.</u>
Jul-07	13%	Jul-07	3.4%
Jul-06	13%	Jul-06	2.0%
Jan-06	13%	Jul-05	25%
May-05	2.2%	May-04	25%
May-04	35%	Jul-02	35%
Jul-02	25%	Jan-02	35%
Jan-02	25%	Feb-91	15%
Jun-95	18%	Jan-90	15%
Aug-91	5%	Oct-88	15%
Mar-89	69%	Oct-87	15%
Jun-76	50%	Oct-86	15%
Jun-65	100%	Jan-78	
Aug-55			

8

Progress!

- Transfers to General Fund now cost of service formula based
- Revenue models developed periodically to help establish rate adjustments
- Annual adjustments based on CPI
- Policy to establish reserves

9

2001 Rate Issues

- Reserves
- Infrastructure Replacement
- Regulatory & Other Requirements
- Operations & Maintenance Cost
- Range of Revenue Requirements Discussed

10

Reserves

- Exhibit from 2001
- Reserves too low
- Financing issues

Water/Wastewater Reserves

- Present City Policy – Minimum of 15% of annual operating expenses.
- AWWA – 5% annual surplus revenue over total expenses; six to twelve months of O&M expenses, plus one year's debt service.
- City of Tracy – 25% of annual operating plus one year's debt service.
- City of Stockton – 25% of annual operating plus capital reserve (unspecified amount)
- State Of California (Loan Fund Revenue Guidelines – 10% to 50% of annual operating plus capital reserve
- Consultant (Washington State) – 10% of operating, plus \$250,000 contingency reserve (emergency repairs), plus one year's capital costs.
- Recommended Reserve for Lodi Water/Wastewater Utilities:
 - 15% of annual operating expenses, plus
 - \$300,000 capital reserve in Water
 - \$600,000 capital reserve in Wastewater

Infrastructure Replacement

- Exhibit from 2001
- Focus on some pipes
- Sewer trunk not included
- PCE/TCE issues

Infrastructure Replacement

- Major City Objective: Provide Resources to Maintain City 's Infrastructure.
- Critical Components of Water/Wastewater System Being Maintained
- Replacement of Underground Facilities – Water Distribution Mains & Services and Wastewater Collection Pipes Is Lagging
 - Replacements Being Done In Conjunction With Other Projects
 - Need to Move Into a Pro-Active Replacement Program Has Been Recognized
 - Staffing Now In Place to Begin Program
 - New Budget (2 – Year) Includes \$300,000 (W) & \$200,000 (WW) per year
 - ✓ Will replace about 2,400 Ft. of pipe
 - ✓ W/WW systems have about 2 Million feet of pipe
 - ✓ 2,400 Ft. represents 0.12% of the system's total footage
 - ✓ At that rate of replacement, a pipe installed today would have to last 824 years before it gets replaced
 - Replacement on a 100-year cycle would require funding of \$2.2 Million per year for water & \$1.8 Million for sewer
 - Replacement on a 75-year cycle would require funding of \$3.0 Million for water and \$2.4 Million for sewer

Regulatory & Other Requirements

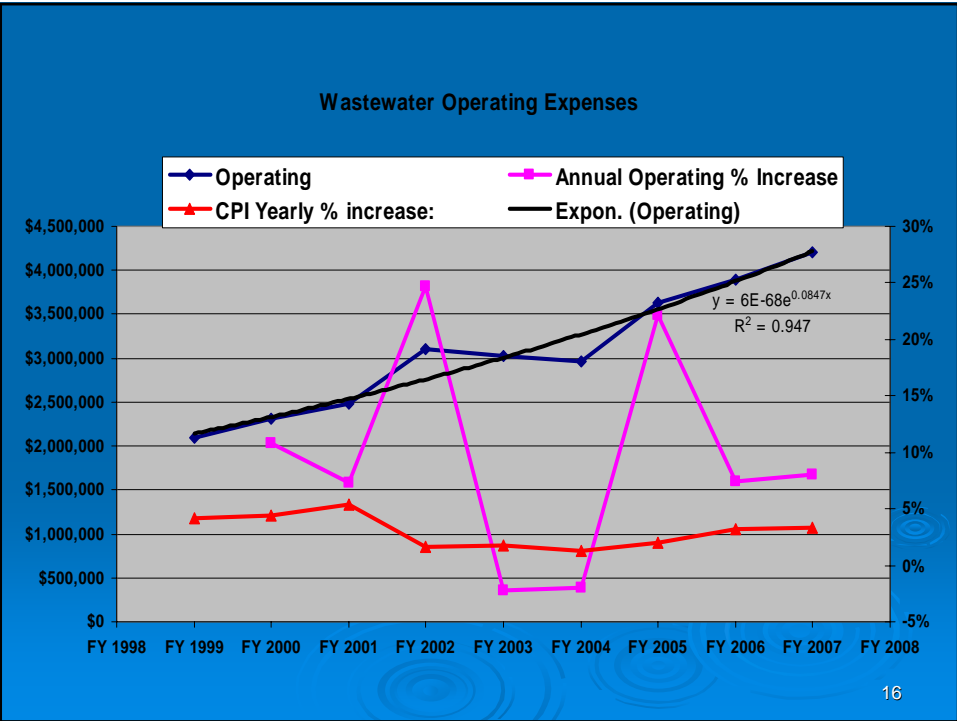
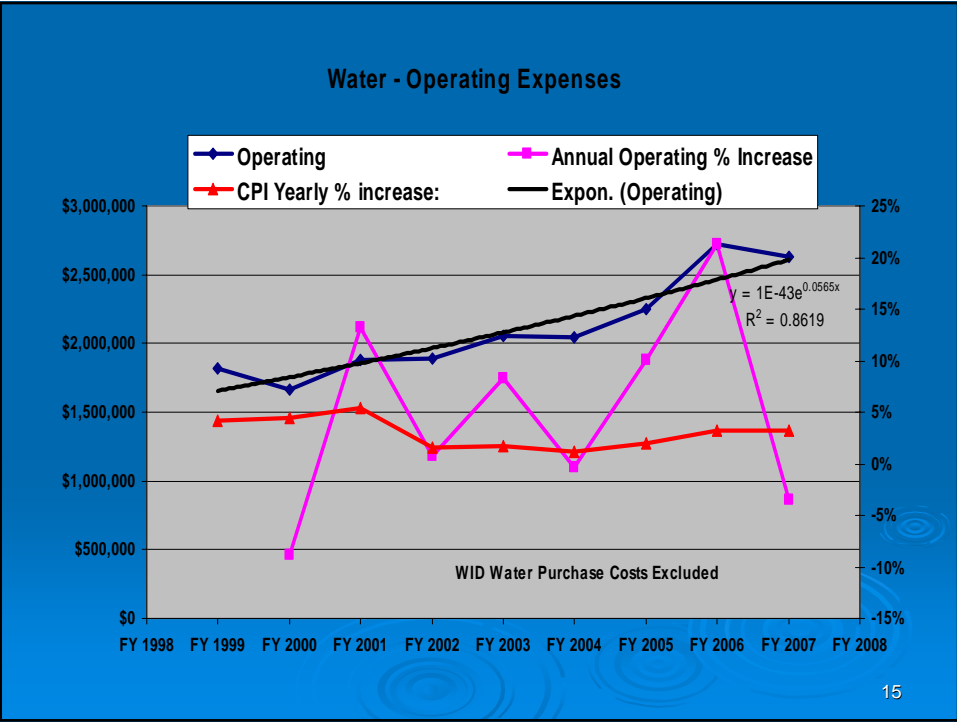
- Exhibit from 2001
- Wastewater treatment costs
 - higher than anticipated
 - \$400 k Fed. grant used for pipes
- Water costs (PCE/TCE)
 - wildly higher than anticipated
 - getting under control now
- Water meter mandate not considered

Regulatory and Other Requirements

- Wastewater
 - Meet New Discharge Permit Requirements
 - ✓ Estimates in \$34 Million Range
 - ✓ Other Agencies Seeing Additional Requirements & Cost
 - ✓ Some Portion of Cost Will Be Allocated To New Development
 - ✓ Possible Offsets – Grants & Project Partners
 - Energy Cost ? ? ?
 - General Cost of Living/Operations
- Water
 - Regulatory Requirements
 - ✓ Contaminants – DBCP, PCE/TCE, others
 - ✓ Naturally Occurring Elements – Radon, Arsenic
 - ✓ Fluoridation & Chlorination
 - ✓ Cost Impact Will Depend on Levels Established & Grant Funding
 - Provide Additional Supply
 - ✓ Wide Range of Potential Costs -
 - \$35+ M. for Surface Water Transport & Treatment (If Available)
 - \$2 to \$4 M. for Prelim. Engineering & Permits for County Project
 - ✓ Conservation
 - ✓ Possible Offsets – Grants & Project Partners
 - Energy Cost ? ? ?
 - General Cost of Living/Operations

Operations & Maintenance Costs

- Vary from year to year
- Have exceeded inflation (+ 3%/year)
 - Water expenses: + 6%/year
 - Wastewater expenses: + 8%/year



Range of Revenue Requirements

- Exhibit from 2001
- Actual revenue lower:
 - Water – avg. \$2.0 M/yr
 - Wastewater – avg. \$2.3 M/yr
- Infrastructure replacement expenditures have been approx. \$850,000 per year in each utility

Increased Revenue Requirements

\$ Per Year

Water Utility

Component	Recommended Program	Potential Program
Sustain Fund Balance w/Reserve	\$45,000	\$ 45,000
Replace Infrastructure	\$2,200,000	\$2,200,000
Alternate Water Supplies	\$ 20,000	\$2,000,000
Total:	\$2,265,000	\$4,245,000

Wastewater Utility

Sustain Fund Balance w/Reserve	\$ 245,000	\$ 245,000
Replace Infrastructure	\$ 2,000,000	\$ 2,000,000
Wastewater Treatment Upgrades	\$ 370,000	\$ 2,380,000
Total:	\$ 2,615,000	\$ 4,625,000
Grand Total:	\$ 4,880,000	\$ 8,870,000

Alternatives

A	B	C
Eliminate itemization of "infrastructure replacement" on bill		Keep separate "infrastructure replacement" charge
Going forward, all rate revenue to one account, transfer cash as needed per annual budget		Keep revenues in separate sub-funds
Transfer between sub-funds to eliminate past deficits	Leave existing sub-funds as-is (will balance over time)	Raise rates to cover operating deficits
Update revenue/rate models in FY 08/09		

Supplemental Information

- Minutes from 2001 Council meeting approving rates
- Water Rate Resolution 2001-231
- Wastewater Rate Resolution 2001-232

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Minutes
from Oct. 3,
2001 City
Council
meeting

MOTION (#1) / VOTE:

The City Council, on motion of Council Member Hitchcock, Howard second, adopted Resolution No. 2001-231, pursuant to Section 13.08.010 of the Lodi Municipal Code, providing for and establishing rates to be charged for water service, and further directed staff to:

- add a line item on the utility bills identifying the water cost increase with a description specifying its purpose for infrastructure replacement;
- prepare a long-range, ten-year financial model spreadsheet identifying water, sewer, and electric expenses, including the dollar amount for the utility user tax over this period; and
- at the time of settlement related to the PCE/TCE issue, repay the water fund for the previous \$6 million expenditure, using the balance remaining after priority takes.

The above motion carried by the following vote:

Ayes: Council Members – Hitchcock, Howard, Pennino and Mayor Nakanishi

Noes: Council Members – None

Absent: Council Members – Land

MOTION (#2) / VOTE:

The City Council, on motion of Council Member Howard, Hitchcock second, adopted Resolution No. 2001-232, pursuant to Section 13.12.240 of the Lodi Municipal Code, providing for and establishing rates to be charged for sewer services, and further directed staff to:

- add a line item on the utility bills identifying the wastewater cost increase with a description specifying its purpose for infrastructure replacement; and
- prepare a long-range, ten-year financial model spreadsheet identifying water, sewer, and electric expenses, including the dollar amount for the utility user tax over this period.

The above motion carried by the following vote:

Ayes: Council Members – Hitchcock, Howard, Pennino and Mayor Nakanishi

Noes: Council Members – None

Absent: Council Members – Land

RESOLUTION NO. 2001-231			
A RESOLUTION OF THE LODI CITY COUNCIL ADOPTED PURSUANT TO SECTION 13.08.010 OF THE LODI MUNICIPAL CODE, PROVIDING FOR AND ESTABLISHING RATES TO BE CHARGED FOR WATER SERVICE			
=====			
WHEREAS, pursuant to the requirements of Government Code Section 54354.5, a Public Hearing was held on October 3, 2001, to consider adoption of a Resolution setting and establishing an amended fee schedule for water service rates.			
NOW, THEREFORE, BE IT RESOLVED, by the Lodi City Council:			
Section 1: The schedule of water service rates for the City of Lodi shall be as shown as follows:			
Water Utility	Present Rate	January 2002	July 2002
Residential Flat Rate (per month):			
Single Family Unit (one bedroom)	\$ 8.65	\$ 10.81	\$13.51
(two bedrooms)	\$10.38	\$ 12.98	\$16.22
(three bedrooms)	\$12.45	\$ 15.56	\$19.45
(four bedrooms)	\$14.95	\$ 18.69	\$23.36
(five bedrooms)	\$17.94	\$ 22.43	\$28.04
(six bedrooms)	\$21.53	\$ 26.91	\$33.64
(seven bedrooms)	\$25.82	\$ 32.28	\$40.35
Multiple Family Unit (one bedroom)	\$ 7.42	\$ 9.28	\$11.60
(two bedrooms)	\$ 8.90	\$ 11.13	\$13.91
(three bedrooms)	\$10.68	\$ 13.35	\$16.69
Commercial/Industrial Flat Rate	varies	+ 20% for ea. add'l. bedroom	add 25%
Existing accounts only. New accounts are metered.			
Metered Rate	\$ 0.296	per 100 cu. ft. (approx. 40¢ per 1,000 gal.)	
		\$ 0.397	\$ 0.524
plus monthly base charge:	\$11.43	¾" meter	No change
	\$17.14	1" meter	No change
	\$22.85	1½" meter	No change
	\$28.58	2" meter	No change
	\$40.00	3" meter	No change
	\$51.43	4" meter	No change
	\$74.29	6" meter	No change
	\$97.16	8" meter	No change
Construction Water Charges:	\$ 0.296	per 100 cu. ft. (approx. 40¢ per 1,000 gal.)	
		\$ 0.397	\$ 0.524

Water Rate Resolution from Oct. 3, 2001 City Council meeting

Section 2: The rates established by this Resolution shall be effective January 2002 and July 2002, or applied to the next full billing cycle following the effective date.

Section 3: All resolutions and parts of Resolutions in conflict herewith are repealed insofar as such conflict may exist.

Dated: October 3, 2001

I hereby certify that Resolution No. 2001-231 was passed and adopted by the City Council of the City of Lodi in a regular meeting held October 3, 2001, by the following vote:

AYES: COUNCIL MEMBERS – Hitchcock, Howard, Pennino and Mayor Nakanishi

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – Land

ABSTAIN: COUNCIL MEMBERS – None

Susan J. Blackston
SUSAN J. BLACKSTON
City Clerk

21

RESOLUTION NO. 2001-232			
A RESOLUTION OF THE LODI CITY COUNCIL ADOPTED PURSUANT TO SECTION 13.12.240 OF THE LODI MUNICIPAL CODE, PROVIDING FOR AND ESTABLISHING RATES TO BE CHARGED FOR SEWER SERVICE			
=====			
WHEREAS, pursuant to the requirements of Government Code Section 54354.5, a Public Hearing was held on October 3, 2001, to consider adoption of a Resolution setting and establishing an amended fee schedule for sewer service rates.			
NOW, THEREFORE, BE IT RESOLVED, by the Lodi City Council:			
Section 1: The schedule of sewer service rates for the City of Lodi shall be as shown as follows:			
Wastewater Utility	Present Rate	January 2002	July 2002
Disposal to Domestic System:			
Residential (per month) 1 Bedroom	\$ 5.34	\$ 7.21	\$ 9.73
2 Bedrooms (basis for 1 Sewage Service Unit) (SSU)	\$ 7.12	\$ 9.61	\$12.97
3 Bedrooms	\$ 8.90	\$12.02	\$16.23
4 Bedrooms	\$10.68	\$14.42	\$19.47
5 Bedrooms	\$12.46	\$16.82	\$22.71
6 Bedrooms	\$14.24	\$19.22	\$25.95
7 Bedrooms	\$16.02	\$21.63	\$29.20
Moderate Strength (annual per SSU) (Most commercial & industrial unless "high strength")	\$85.42	\$115.32	\$155.68
High strength user:			
Flow (per MG, annual basis)	\$ 411.02	\$554.68	\$749.09
BOD (per 1,000 lbs., annual basis)	\$ 201.14	\$271.54	\$366.58
SS (per 1,000 lbs., annual basis)	\$ 164.42	\$221.97	\$299.66
Grease Interceptor and Septic Holding Tank Waste within City Limits (per 1,000 gal.)	\$62.96	\$85.00	\$114.75
Septic (only) Holding Tank Waste Outside City Limits (per 1,000 gal.)	\$ 133.67	\$180.45	\$243.61
Disposal to Storm Drain System (per MG)	\$66.13	\$89.26	\$120.53

Wastewater Rate Resolution from Oct. 3, 2001 City Council meeting

Section 2: The rates established by this Resolution shall be effective January 2002 and July 2002, or applied to the next full billing cycle following the effective date.

Section 3: All resolutions and parts of Resolutions in conflict herewith are repealed insofar as such conflict may exist.

Dated: October 3, 2001

I hereby certify that Resolution No. 2001-232 was passed and adopted by the City Council of the City of Lodi in a regular meeting held October 3, 2001, by the following vote:

AYES: COUNCIL MEMBERS – Hitchcock, Howard, Pennino and Mayor Nakanishi

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – Land

ABSTAIN: COUNCIL MEMBERS – None

Susan J. Blackston
SUSAN J. BLACKSTON
City Clerk

22



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Introduce Ordinance Amending Lodi Municipal Code Section 2.08.020 Relating to City Council Salaries

MEETING DATE: April 2, 2008

PREPARED BY: Randi Johl, City Clerk

RECOMMENDED ACTION: Introduce ordinance amending Lodi Municipal Code Section 2.08.020 relating to City Council salaries.

BACKGROUND INFORMATION: At the Council meeting of March 19, 2008, the City Council voted to increase Council salaries from \$500 a month to \$860 a month as prescribed for in Government Code Section 36516. In order to implement said increase, it is necessary to introduce the attached ordinance amending Lodi Municipal Code Section 2.08.020. The salary increase would not become effective until the next municipal election in November 2008.

FISCAL IMPACT: This will increase the annual cost by \$21,600 upon approval.

FUNDING AVAILABLE: Funding will be made available in the 2008-09 budget.

Kirk Evans, Budget Manager

Randi Johl
City Clerk

RJ/JMP

Attachment

APPROVED: _____
Blair King, City Manager

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE
CITY OF LODI AMENDING LODI MUNICIPAL
CODE SECTION 2.08.020 RELATING TO CITY
COUNCIL SALARIES AS AUTHORIZED BY
GOVERNMENT CODE SECTION 36516 (a) (3)

=====

WHEREAS, Government Code Section 36516 (a) (3) sets forth that a city council may enact an ordinance providing that each member of the city council receive a salary up to and including five hundred dollars (\$500) per month in cities over 50,000 up to and including 75,000 in population; and

WHEREAS, Government Code Section 36516 (c) states that compensation of council members may be increased beyond the amount by an ordinance or by an amendment to an ordinance but the amount of the increase may not exceed an amount equal to five percent (5%) for each calendar year from the operative date of the last adjustment of the salary in effect when the ordinance or amendment is enacted. No salary ordinance shall be enacted or amended which provides for automatic future increases in salary.

BE IT ORDAINED BY THE LODI CITY COUNCIL:

SECTION 1. Lodi Municipal Code Section 2.08.020 relating to City Council salaries is hereby amended as authorized by Government Code Section 36516 (a) (3) to read as follows:

Each member of the council of the city shall receive, as salary, the sum of eight hundred sixty dollars per month, as prescribed in Government Code Section 36516 (a) (3) in cities over fifty thousand in population, which shall be effective December 3, 2008, and shall be payable from and after the operative date of the ordinance codified in this chapter at the same time and in the same manner as the salaries are paid to other officers and employees of the city.

SECTION 2. No Mandatory Duty of Care. This ordinance is not intended to and shall not be construed or given effect in a manner which imposes upon the City, or any officer or employee thereof, a mandatory duty of care towards persons or property within the City or outside of the City so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

SECTION 3. Severability. If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application. To this end, the provisions of this ordinance are severable. The City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof.

SECTION 4. All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

SECTION 5. This ordinance shall be published one time in the "Lodi News Sentinel," a daily newspaper of general circulation printed and published in the City of Lodi, and shall be in force and take effect December 3, 2008.

Approved this ____ day of April, 2008

JOANNE MOUNCE
Mayor

Attest:

RANDI JOHL
City Clerk
=====

State of California
County of San Joaquin, ss.

I, Randi Johl, City Clerk of the City of Lodi, do hereby certify that Ordinance No. ____ was introduced at a regular meeting of the City Council of the City of Lodi held April 2, 2008, and was thereafter passed, adopted, and ordered to print at a regular meeting of said Council held _____, 2008, by the following vote:

AYES: COUNCIL MEMBERS –

NOES; COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

I further certify that Ordinance No. ____ was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.

RANDI JOHL
City Clerk

Approved as to Form:

D. STEPHEN SCHWABAUER
City Attorney



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Presentation of financing options for outstanding Electric Utility Variable Rate Debt Obligation Certificates of Participation (\$46.7 million) and authorization for City Manager to procure necessary services related to restructuring these obligations.

MEETING DATE: April 2, 2008

PREPARED BY: Deputy City Manager

RECOMMENDED ACTION: Receive presentation on financing options for outstanding Electric Utility outstanding variable rate debt obligations and authorize City Manager to procure financing services including bond counsel, underwriting services, letter of credit or other credit enhancement facility, and other costs as necessary.

BACKGROUND INFORMATION: The Electric Utility has approximately \$46.7 million of outstanding Variable Rate Debt Obligations (VRDOs), which were issued in January 2002. This type of debt offers the holders the opportunity for early redemption of their certificates. As a result of financial market conditions, some of the holders of these VRDOs have exercised their right to redeem these certificates. At this time, there are \$2.5 million of these certificates that have been redeemed and not remarketed by the city's agent (Citigroup). These COPs were redeemed in early March and there has been no additional redemptions of these securities.

In early March the City of Lodi engaged its financial advisor, Lamont Financial Services, to explore alternatives and recommend possible solutions to reduce the potential additional costs associated with these early redemptions. There are several courses of action that are possible to address this emerging issue.

All options and the associated costs and resulting debt service scenarios were not available at the time of this communication. Staff will review the various elements of the financing structures available for the VRDOs on April 2nd along with a recommendation to pursue one of the alternatives or to defer until a future meeting pending final determination of costs or other factors needed to make a decision on this issue.

FISCAL IMPACT: Not Applicable

FUNDING AVAILABLE: Not Applicable

Kirk Evans, Budget Manager

James R. Krueger, Deputy City Manager

APPROVED: _____
Blair King, City Manager



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Authorizing the City Manager to Execute a \$2.15 Million Purchase and Sale Agreement for 9.09 Acre Electric Utility Property Located at 500 South Guild Avenue with GG Land Group LLC (EUD)

MEETING DATE: April 2, 2008

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Adopt a resolution authorizing the City Manager to execute a \$2.15 million purchase and sale agreement for 9.09 acre Electric Utility property located at 500 South Guild Avenue with GG Land Group LLC.

BACKGROUND INFORMATION: On March 7, 2008, the City received an offer to purchase 9.09 acres of Electric Utility Department (EUD) property at 500 S. Guild (adjacent to the Industrial Substation) for \$2,150,000. The interested buyer is GG Land Group LLC of Chicago, Illinois.

Key elements of the updated offer (attached) are as follows:

- \$2.15 million purchase price (\$25,000 deposit)
- Buyer has 90 days after offer acceptance to undertake due diligence and close transaction
- No appraisal or financing contingencies
- Seller required to pay Hazard Zone Disclosure Report, one-half of escrow fee, one-half of owner's title insurance policy and County transfer fee

The property appraised in October 2006 at \$2.5 million using comparable sales in Elk Grove, Stockton and Lodi. The appraisal was performed by Swanberg & Associates. In a recent review of this appraisal, the appraiser has stated that the market value of the property has declined and may be only \$2.07 million based on the decline in value over a similar period of other industrial property in Lodi.

From information received from Coldwell Banker Commercial, the City's real estate broker, GG Land Group is a well capitalized company active in California real estate development. GG Land Group has stated their desire to build a five acre industrial complex that would offer 1,500 to 10,000 square foot spaces for lease or sale. The remainder four acres of the 9.09 acre parcel will be marketed to a single user on either a sale or a build-to-suit basis. The Buyer has stated they will make a good faith effort to file a development application with the City of Lodi within twelve months of closing.

The City of Lodi's arrangement with Coldwell Banker stipulates a brokerage fee of four percent (4%) for that portion of a sales price up to \$2 million. At the offered \$2 million sales price, this commission would equal \$80,000. After closing expenses, EUD is expected to net \$2 million from the sales transaction.

APPROVED: _____
Blair King, City Manager

FISCAL IMPACT: Following closing, the electric utility will receive \$2.15 million. Net proceeds after selling expenses will be approximately \$2 million which will increase EUD's reserve by like amount.

FUNDING: Not applicable.

George F. Morrow
Electric Utility Director



COLDWELL BANKER COMMERCIAL
THE DUNCAN CO. INC.

18826 N LOWER SACRAMENTO RD., STE-E
WOODBIDGE, CA 95258-1066

BUS. 209.334.6717

FAX 209.334.2521

www.duncanda.com

3/12/2008

Office of the City Manager
Mr. Blair King
221 W. Pine Street
Lodi CA, 95240

RE: City Property on Guild Ave.

Dear Mr. King,

As you may recall, last week the City Council was presented with a \$2,000,000 offer to purchase the city owned property located at 500 S. Guild Ave. While it was a serious offer and worthy of thoughtful consideration, I did not recommend acceptance as I believed that we could negotiate a higher price. Upon receiving direction from the City Council, I informed GG Land Group that the City of Lodi had declined the original offer and had instead elected to counter-offer at \$2,250,000. After a series of negotiations, GG Land Group decided to make another offer to purchase at a price of \$2,150,000.

Additionally, I have repeatedly told this potential buyer that the City Council is interested in not only a fair price for the property but is also interested in seeing this property developed in a reasonable amount of time. I pursued language in an agreement that had benchmarks for development and financial repercussions if they were not met. GG Land Group shares the desires of the council and does not intend to sit on this property. They feel that the best illustration of their commitment is to pay what they believe to be a premium for the property. GG Land Group has no intention to "land bank" this property nor would it make a sense to do so. The City Council could consider pursue a strategy of offering a financial incentive rather than a financial penalty. The purchase price of \$2,150,000 could be accepted and a portion of that could be rebated to the Purchaser if they met a benchmark desired by the City Council.

I believe we have received their highest and best offer. As such, it is my recommendation that the offer be accepted.

Sincerely,

A handwritten signature in blue ink that reads 'Michael Carouba'.

Michael Carouba

GG Land Group, LLC.

Cultivating Real Estate Opportunities by Developing Relationships



The following is an elevation example and several pictures of typical industrial buildings located in Lodi's industrial area that we viewed. We would likely pursue something close to this kind of format,

Tom Galuski









**VACANT LAND PURCHASE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS**
(C.A.R. Form VLPA, Revised 11/07)

Date March 27, 2008, at Lodi, California.

1. OFFER:

- A. THIS IS AN OFFER FROM GG Land Group ("Buyer").
B. THE REAL PROPERTY TO BE ACQUIRED is described as 500 South Guild Avenue

Assessor's Parcel No(s). 049-250-61
situated in Lodi, County of San Joaquin, California, ("Property").

- C. THE PURCHASE PRICE offered is Two Million One Hundred Fifty Thousand Dollars \$ 2,150,000.00

D. CLOSE OF ESCROW shall occur on _____ (date) (or ☒ 90 Days After Acceptance).

2. FINANCE TERMS: Obtaining the loans below is a contingency of this Agreement unless: (i) either 2D or 2L is checked below; or (ii) otherwise agreed in writing. Buyer shall act diligently and in good faith to obtain the designated loans. Obtaining deposit, down payment and closing costs is not a contingency. Buyer represents that funds will be good when deposited with Escrow Holder.

- A. INITIAL DEPOSIT: Buyer has given a deposit in the amount of \$ 25,000.00
to the agent submitting the offer (or to ☐ _____), by Personal Check
(or ☐ _____), made payable to _____,
which shall be held uncashed until Acceptance and then deposited within 3 business days after Acceptance
(or ☐ _____), with
Escrow Holder, (or ☐ into Broker's trust account).

- B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of \$ _____
within _____ Days After Acceptance, or ☐ _____.

- C. FIRST LOAN IN THE AMOUNT OF \$ _____
☐ NEW First Deed of Trust in favor of ☐ lender, ☐ seller;

- OR ☐ ASSUMPTION of Existing First Deed of Trust;
encumbering the Property, securing a note payable at maximum interest of _____ % fixed rate, or
_____ % initial adjustable rate with a maximum interest rate of _____ %, balance due in
_____ years, amortized over _____ years (OR, if checked, ☐ payable in interest-only installments). Payments
due ☐ monthly, ☐ quarterly, ☐ semi-annually, ☐ annually.
Buyer shall pay loan fees/points not to exceed _____.

- D. ☒ ALL CASH OFFER (If checked): No loan is needed to purchase the Property. Buyer shall, within 7 (or
☐ _____) Days After Acceptance, provide Seller written verification of sufficient funds to close this transaction.

- E. ADDITIONAL FINANCING TERMS: \$ _____

- F. BALANCE OF PURCHASE PRICE:
(not including costs of obtaining loans and other closing costs) in the amount of \$ 2,125,000.00
to be deposited with Escrow Holder within sufficient time to close escrow.

- G. PURCHASE PRICE (TOTAL): \$ 2,150,000.00

- H. LOAN APPLICATIONS: Within 7 (or ☐ _____) Days After Acceptance, Buyer shall provide Seller a letter from lender or mortgage loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified above.

- I. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to 2H) shall, within 7 (or ☐ _____) Days After Acceptance, provide Seller written verification of Buyer's down payment and closing costs.

- J. LOAN CONTINGENCY REMOVAL: (i) Within 17 (or ☐ _____) Days After Acceptance Buyer shall, as specified in paragraph 18, remove the loan contingency or cancel this Agreement; OR (ii) (☐ if checked), loan contingency shall remain in effect until the designated loans are funded.

- K. APPRAISAL CONTINGENCY AND REMOVAL: This Agreement is (OR, if checked, ☒ is NOT) contingent upon the Property appraising at no less than the specified purchase price. If there is a loan contingency, at the time the loan contingency is removed (or, if checked, ☐ within 17 (or ☐ _____) Days After Acceptance), Buyer shall, as specified in paragraph 18, remove the appraisal contingency or cancel this Agreement. If there is no loan contingency, Buyer shall, as specified in paragraph 18, remove the appraisal contingency within 17 (or _____) Days After Acceptance.

- L. ☒ NO LOAN CONTINGENCY (If checked): Obtaining any loan in paragraphs 2C, 2E or elsewhere in this Agreement is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result Buyer does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.

- M. SELLER FINANCING: The following terms (or ☐ (if checked) the terms specified in the attached Seller Financing Addendum (C.A.R. Form SFA)) apply ONLY to financing extended by Seller under this Agreement.

- (1) BUYER'S CREDIT-WORTHINESS: Buyer authorizes Seller and/or Brokers to obtain, at Buyer's expense, a copy of Buyer's credit report. Within 7 (or ☐ _____) Days After Acceptance, Buyer shall provide any supporting documentation reasonably requested by Seller.

Buyer's Initials (TC) (_____)
Seller's Initials (_____) (_____)

Reviewed by _____ Date _____



- (2) **TERMS:** Buyer's promissory note, deed of trust and other documents as appropriate shall incorporate and implement the following additional terms: (i) the maximum interest rate specified in paragraph 2C shall be the actual fixed interest rate for Seller financing; (ii) deed of trust shall contain a REQUEST FOR NOTICE OF DEFAULT on senior loans; (iii) Buyer shall sign and pay for a REQUEST FOR NOTICE OF DELINQUENCY prior to Close Of Escrow and at any future time if requested by Seller; (iv) note and deed of trust shall contain an acceleration clause making the loan due, when permitted by law and at Seller's option, upon the sale or transfer of the Property or any interest in it; (v) note shall contain a late charge of 6% of the installment due (or ☐ _____) if the installment is not received within 10 days of the date due; (vi) title insurance coverage in the form of a joint protection policy shall be provided insuring Seller's deed of trust interest in the Property (any increased cost over owner's policy shall be paid by Buyer); and (vii) tax service shall be obtained and paid for by Buyer to notify Seller if property taxes have not been paid.
- (3) **ADDED, DELETED OR SUBSTITUTED BUYERS:** The addition, deletion or substitution of any person or entity under this Agreement or to title prior to Close Of Escrow shall require Seller's written consent. Seller may grant or withhold consent in Seller's sole discretion. Any additional or substituted person or entity shall, if requested by Seller, submit to Seller the same documentation as required for the original named Buyer. Seller and/or Brokers may obtain a credit report, at Buyer's expense, on any such person or entity.
- N. ASSUMED OR "SUBJECT TO" FINANCING:** Seller represents that Seller is not delinquent on any payments due on any loans. Seller shall, within the time specified in paragraph 18, provide Copies of all applicable notes and deeds of trust, loan balances and current interest rates to Buyer. Buyer shall then, as specified in paragraph 18B(3), remove this contingency or cancel this Agreement. Differences between estimated and actual loan balances shall be adjusted at Close Of Escrow by cash down payment. Impound accounts, if any, shall be assigned and charged to Buyer and credited to Seller. Seller is advised that Buyer's assumption of an existing loan may not release Seller from liability on that loan. If this is an assumption of a VA Loan, the sale is contingent upon Seller being provided a release of liability and substitution of eligibility, unless otherwise agreed in writing. If the Property is acquired subject to an existing loan, Buyer and Seller are advised to consult with legal counsel regarding the ability of an existing lender to call the loan due, and the consequences thereof.
3. **POSSESSION AND KEYS:** Possession and occupancy shall be delivered to Buyer at 5:00 ☐ AM ☐ PM, ☒ on the date of Close Of Escrow; ☐ on _____; or ☐ no later than _____ Days After Close Of Escrow. The Property shall be unoccupied, unless otherwise agreed in writing. Seller shall provide keys and/or means to operate all Property locks.
4. **ALLOCATION OF COSTS** (If checked): Unless otherwise specified here, this paragraph only determines who is to pay for the report, inspection, test or service mentioned. If not specified here or elsewhere in this Agreement, the determination of who is to pay for any work recommended or identified by any such report, inspection, test or service is by the method specified in paragraph 18.
- A. INSPECTIONS AND REPORTS:**
- (1) ☐ Buyer ☐ Seller shall pay to have existing septic or private sewage disposal system, if any, inspected N/A
- (2) ☐ Buyer ☐ Seller shall pay for costs of testing to determine the suitability of soil for sewage disposal N/A
- (3) ☐ Buyer ☐ Seller shall pay to have existing wells, if any, tested for water potability and productivity N/A
- (4) ☐ Buyer ☐ Seller shall pay to have Property corners identified N/A
- (5) ☐ Buyer ☒ Seller shall pay for a natural hazard zone disclosure report prepared by _____
- (6) ☐ Buyer ☐ Seller shall pay for the following inspection or report _____
- (7) ☐ Buyer ☐ Seller shall pay for the following inspection or report _____
- B. ESCROW AND TITLE:**
- (1) ☒ Buyer ☒ Seller shall pay escrow fee 50/50
Escrow Holder shall be Placer Title
- (2) ☒ Buyer ☒ Seller shall pay for owner's title insurance policy specified in paragraph 14 50/50
Owner's title policy to be issued by _____
(Buyer shall pay for any title insurance policy insuring Buyer's Lender, unless otherwise agreed in writing.)
- C. OTHER COSTS:**
- (1) ☐ Buyer ☒ Seller shall pay County transfer tax or transfer fee _____
- (2) ☐ Buyer ☐ Seller shall pay City transfer tax or transfer fee _____
- (3) ☐ Buyer ☐ Seller shall pay HOA transfer fees _____
- (4) ☐ Buyer ☐ Seller shall pay HOA document preparation fees _____
- (5) ☐ Buyer ☐ Seller shall pay for _____
- (6) ☐ Buyer ☐ Seller shall pay for _____
5. **STATUTORY DISCLOSURES AND CANCELLATION RIGHTS:**
- A. NATURAL AND ENVIRONMENTAL HAZARDS:** Seller shall, within the time specified in paragraph 18, deliver to Buyer if required by Law: (i) earthquake guides (and questionnaire) and environmental hazards booklet; (ii) disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.
- B. MEGAN'S LAW DATABASE DISCLOSURE:** Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.)

Buyer's Initials (TK) (_____)
 Seller's Initials (_____) (_____)

Reviewed by _____ Date _____



6. SELLER DOCUMENTATION AND ADDITIONAL DISCLOSURE:

- A. Within the time specified in paragraph 18, if Seller has actual knowledge, Seller shall provide to Buyer, in writing, the following information:
- (1) **LEGAL PROCEEDINGS:** Any lawsuits by or against Seller, threatening or affecting the Property, including any lawsuits alleging a defect or deficiency in the Property or common areas, or any known notices of abatement or citations filed or issued against the Property.
 - (2) **AGRICULTURAL USE:** Whether the Property is subject to restrictions for agricultural use pursuant to the Williamson Act (Government Code §§51200-51295).
 - (3) **DEED RESTRICTIONS:** Any deed restrictions or obligations.
 - (4) **FARM USE:** Whether the Property is in, or adjacent to, an area with Right to Farm rights (Civil Code §3482.5 and §3482.6).
 - (5) **ENDANGERED SPECIES:** Presence of endangered, threatened, 'candidate' species, or wetlands on the Property.
 - (6) **ENVIRONMENTAL HAZARDS:** Any substances, materials, or products that may be an environmental hazard including, but not limited to, asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, and contaminated soil or water on the Property.
 - (7) **COMMON WALLS:** Any features of the Property shared in common with adjoining landowners, such as walls, fences, roads, and driveways, and agriculture and domestic wells whose use or responsibility for maintenance may have an effect on the Property.
 - (8) **LANDLOCKED:** The absence of legal or physical access to the Property.
 - (9) **EASEMENTS/ENCROACHMENTS:** Any encroachments, easements or similar matters that may affect the Property.
 - (10) **SOIL FILL:** Any fill (compacted or otherwise), or abandoned mining operations on the Property.
 - (11) **SOIL PROBLEMS:** Any slippage, sliding, flooding, drainage, grading, or other soil problems.
 - (12) **EARTHQUAKE DAMAGE:** Major damage to the Property or any of the structures from fire, earthquake, floods, or landslides.
 - (13) **ZONING ISSUES:** Any zoning violations, non-conforming uses, or violations of "setback" requirements.
 - (14) **NEIGHBORHOOD PROBLEMS:** Any neighborhood noise problems, or other nuisances.
- B. **RENTAL AND SERVICE AGREEMENTS:** Within the time specified in paragraph 18, Seller shall make available to Buyer for inspection and review, all current leases, rental agreements, service contracts and other related agreements, licenses, and permits pertaining to the operation or use of the Property.
- C. ☐ **TENANT ESTOPPEL CERTIFICATES:** (If checked) Within the time specified in paragraph 18, Seller shall deliver to Buyer tenant estoppel certificates (C.A.R. Form TEC) completed by Seller or Seller's agent, and signed by tenants, acknowledging: (i) that tenants' rental or lease agreements are unmodified and in full force and effect (or if modified, stating all such modifications); (ii) that no lessor defaults exist; and (iii) stating the amount of any prepaid rent or security deposit.
- D. **MELLO-ROOS TAX; 1915 BOND ACT:** Within the time specified in paragraph 18, Seller shall: (i) make a good faith effort to obtain a notice from any local agencies that levy a special tax or assessment on the Property (or, if allowed, substantially equivalent notice), pursuant to the Mello-Roos Community Facilities Act, and Improvement Bond Act of 1915, and (ii) promptly deliver to Buyer any such notice obtained.

7. CONDOMINIUM/PLANNED UNIT DEVELOPMENT DISCLOSURES:

- A. **SELLER HAS:** 7 (or ☐ _____) Days After Acceptance to disclose to Buyer whether the Property is a condominium, or located in a planned unit development or other common interest subdivision.
- B. If the Property is a condominium, or located in a planned unit development or other common interest subdivision, Seller has 3 (or ☐ _____) Days After Acceptance to request from the HOA (C.A.R. Form HOA): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of HOA minutes for regular and special meetings; (v) the names and contact information of all HOAs governing the Property; and (vi) the following if Seller has actual knowledge: (a) any material defects in the condition of common area (such as pools, tennis courts, walkways or other areas co-owned in undivided interest with other); and (b) possible lack of compliance with HOA requirements (collectively, "CI Disclosures"). Seller shall itemize and deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement, as specified in paragraph 18.

8. SUBSEQUENT DISCLOSURES: In the event Seller, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer of which Buyer is otherwise unaware, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items. **However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies disclosed in reports ordered and paid for by Buyer.****9. CHANGES DURING ESCROW:**

- A. Prior to Close Of Escrow, Seller may engage in the following acts, ("Proposed Changes"), subject to Buyer's rights in paragraph 18: (i) rent or lease any part of the premises; (ii) alter, modify or extend any existing rental or lease agreement; (iii) enter into, alter, modify or extend any service contract(s); or (iv) change the status of the condition of the Property.
- B. At least 7 (or ☐ _____) Days prior to any Proposed Changes, Seller shall give written notice to Buyer of such Proposed Changes.

10. CONDITIONS AFFECTING PROPERTY:

- A. Unless otherwise agreed: (i) the Property is sold (a) in its **PRESENT** physical condition as of the date of Acceptance and (b) subject to Buyer Investigation rights; and (ii) the Property is to be maintained in substantially the same condition as on the date of Acceptance.
- B. ☒ (If checked) All debris and personal property not included in the sale shall be removed by Close Of Escrow.
- C. **SELLER SHALL, within the time specified in paragraph 18, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS AFFECTING THE PROPERTY AND MAKE OTHER DISCLOSURES REQUIRED BY LAW.**
- D. **NOTE TO BUYER:** You are strongly advised to conduct investigations of the entire Property in order to determine its present condition since Seller may not be aware of all defects affecting the Property or other factors that you consider important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.
- E. **NOTE TO SELLER:** Buyer has the right to inspect the Property and, as specified in paragraph 18, based upon information discovered in those inspections: (i) cancel this Agreement; or (ii) request that you make Repairs or take other action.

Buyer's Initials (IG) (_____)
 Seller's Initials (_____) (_____)

Reviewed by _____ Date _____



11. ITEMS INCLUDED AND EXCLUDED:

A. NOTE TO BUYER AND SELLER: Items listed as included or excluded in the MLS, flyers or marketing materials are **not** included in the purchase price or excluded from the sale unless specified in 11B or C.

B. ITEMS INCLUDED IN SALE:

- (1) All EXISTING fixtures and fittings that are attached to the Property;
 (2) The following items: _____

(3) Seller represents that all items included in the purchase price, unless otherwise specified, are owned by Seller.

(4) All items included shall be transferred free of liens and without Seller warranty.

C. ITEMS EXCLUDED FROM SALE: _____**12. BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:**

A. Buyer's acceptance of the condition of, and any other matter affecting the Property is a contingency of this Agreement, as specified in this paragraph and paragraph 18. Within the time specified in paragraph 18, Buyer shall have the right, at Buyer's expense, unless otherwise agreed, to conduct inspections, investigations, tests, surveys, and other studies ("Buyer Investigations"), including, but not limited to, the right to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms; (iii) review the registered sex offender database; (iv) confirm the insurability of Buyer and the Property; and (v) satisfy Buyer as to any matter specified below. Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations; or (ii) inspections by any governmental building or zoning inspector, or government employee, unless required by Law.

B. Buyer shall complete Buyer Investigations and, as specified in paragraph 18, remove the contingency or cancel this Agreement. Buyer shall give Seller, at no cost, complete Copies of all Buyer Investigation reports obtained by Buyer. Seller shall make Property available for all Buyer Investigations. If the following have already been connected and available, Seller shall have water, gas, electricity, and all operable pilot lights on for Buyer's Investigations and through the date possession is made available to Buyer.

BUYER IS STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY AND ALL MATTERS AFFECTING THE VALUE OR DESIRABILITY OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO, THE ITEMS SPECIFIED BELOW. IF BUYER DOES NOT EXERCISE THESE RIGHTS, BUYER IS ACTING AGAINST THE ADVICE OF BROKERS. BUYER UNDERSTANDS THAT ALTHOUGH CONDITIONS ARE OFTEN DIFFICULT TO LOCATE AND DISCOVER, ALL REAL PROPERTY CONTAINS CONDITIONS THAT ARE NOT READILY APPARENT AND THAT MAY AFFECT THE VALUE OR DESIRABILITY OF THE PROPERTY. BUYER AND SELLER ARE AWARE THAT BROKERS DO NOT GUARANTEE, AND IN NO WAY ASSUME RESPONSIBILITY FOR, THE CONDITION OF THE PROPERTY. BROKERS HAVE NOT AND WILL NOT VERIFY ANY OF THE ITEMS IN THIS PARAGRAPH 12, UNLESS OTHERWISE AGREED IN WRITING.

C. SIZE, LINES, ACCESS AND BOUNDARIES: Lot size, property lines, legal or physical access and boundaries including features of the Property shared in common with adjoining landowners, such as walls, fences, roads and driveways, whose use or responsibility for maintenance may have an effect on the Property and any encroachments, easements or similar matters that may affect the Property. (Fences, hedges, walls and other natural or constructed barriers or markers do not necessarily identify true Property boundaries. Property lines may be verified by survey.) (Unless otherwise specified in writing, any numerical statements by Brokers regarding lot size are APPROXIMATIONS ONLY, which have not been and will not be verified, and should not be relied upon by Buyer.)

D. ZONING AND LAND USE: Past, present, or proposed laws, ordinances, referendums, initiatives, votes, applications and permits affecting the current use of the Property, future development, zoning, building, size, governmental permits and inspections. Any zoning violations, non-conforming uses, or violations of "setback" requirements. (Buyer should also investigate whether these matters affect Buyer's intended use of the Property.)

E. UTILITIES AND SERVICES: Availability, costs, restrictions and location of utilities and services, including but not limited to, sewerage, sanitation, septic and leach lines, water, electricity, gas, telephone, cable TV and drainage.

F. ENVIRONMENTAL HAZARDS: Potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon, methane, other gases, fuel, oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, including mold (airborne, toxic or otherwise), fungus or similar contaminant, materials, products or conditions.

G. GEOLOGIC CONDITIONS: Geologic/seismic conditions, soil and terrain stability, suitability and drainage including any slippage, sliding, flooding, drainage, grading, fill (compacted or otherwise), or other soil problems.

H. NATURAL HAZARD ZONE: Special Flood Hazard Areas, Potential Flooding (Inundation) Areas, Very High Fire Hazard Zones, State Fire Responsibility Areas, Earthquake Fault Zones, Seismic Hazard Zones, or any other zone for which disclosure is required by Law.

I. PROPERTY DAMAGE: Major damage to the Property or any of the structures or non-structural systems and components and any personal property included in the sale from fire, earthquake, floods, landslides or other causes.

J. NEIGHBORHOOD, AREA AND PROPERTY CONDITIONS: Neighborhood or area conditions, including Agricultural Use Restrictions pursuant to the Williamson Act (Government Code §§51200-51295), Right To Farm Laws (Civil Code §3482.5 and §3482.6), schools, proximity and adequacy of law enforcement, crime statistics, the proximity of registered felons or offenders, fire protection, other government services, availability, adequacy and cost of any speed-wired, wireless internet connections or other telecommunications or other technology services and installations, proximity to commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, abandoned mining operations on the Property, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or Homeowners' Association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.

Buyer's Initials (JG) (_____)
 Seller's Initials (_____) (_____)

Reviewed by _____ Date _____



- K. COMMON INTEREST SUBDIVISIONS: OWNER ASSOCIATIONS:** Facilities and condition of common areas (facilities such as pools, tennis courts, walkways, or other areas co-owned in undivided interest with others), Owners' Association that has any authority over the subject property, CC&Rs, or other deed restrictions or obligations, and possible lack of compliance with any Owners' Association requirements.
- L. SPECIAL TAX:** Any local agencies that levy a special tax on the Property pursuant to the Mello-Roos Community Facilities Act or Improvement Bond Act of 1915.
- M. RENTAL PROPERTY RESTRICTIONS:** Some cities and counties impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants and the right of a landlord to terminate a tenancy.
- N. MANUFACTURED HOME PLACEMENT:** Conditions that may affect the ability to place and use a manufactured home on the Property.
- 13. BUYER INDEMNITY AND SELLER PROTECTION FOR ENTRY UPON PROPERTY:** Buyer shall: (i) keep the Property free and clear of liens; (ii) Repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-Responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination of this Agreement.
- 14. TITLE AND VESTING:**
- A.** Within the time specified in paragraph 18, Buyer shall be provided a current preliminary (title) report, which is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the preliminary report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 18.
- B.** Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except: (i) monetary liens of record unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.
- C.** Within the time specified in paragraph 18, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.
- D.** At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. **THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.**
- E.** Buyer shall receive a standard coverage owner's CLTA policy of title insurance. An ALTA policy or the addition of endorsements may provide greater coverage for Buyer. A title company, at Buyer's request, can provide information about the availability, desirability, coverage, and cost of various title insurance coverages and endorsements. If Buyer desires title coverage other than that required by this paragraph, Buyer shall instruct Escrow Holder in writing and pay any increase in cost.
- 15. SALE OF BUYER'S PROPERTY:**
- A.** This Agreement is NOT contingent upon the sale of any property owned by Buyer.
- OR B.** ☐ (If checked) The attached addendum (C.A.R. Form COP) regarding the contingency for the sale of property owned by Buyer is incorporated into this Agreement.
- 16. ☐ MANUFACTURED HOME PURCHASE** (If checked): The purchase of the Property is contingent upon Buyer acquiring a personal property manufactured home to be placed on the Property after Close Of Escrow. Buyer ☐ has ☐ has not entered into a contract for the purchase of a personal property manufactured home. Within the time specified in paragraph 18, Buyer shall remove this contingency or cancel this Agreement, (OR, if checked, ☐ this contingency shall remain in effect until the Close Of Escrow of the Property).
- 17. ☐ CONSTRUCTION LOAN FINANCING** (If checked): The purchase of the Property is contingent upon Buyer obtaining a construction loan. A draw from the construction loan ☐ will ☐ will not be used to finance the Property. Within the time specified in paragraph 18, Buyer shall remove this contingency or cancel this Agreement (or, if checked, ☐ this contingency shall remain in effect until Close Of Escrow of the Property).
- 18. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS:** The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph must be in writing (C.A.R. Form CR).
- A. SELLER HAS: 7** (or ☐ _____) Days After Acceptance to deliver to Buyer all reports, disclosures and information for which Seller is responsible under paragraphs 2N, 4, 5A, 6, 7A, 10C and 14.
- B. (1) BUYER HAS: 17** (or ☒ 60) Days After Acceptance, unless otherwise agreed, in writing, to complete all Buyer Investigations; approve all disclosures, reports and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property (including lead-based paint and lead-based paint hazards as well as other information specified in paragraph 5 and insurability of Buyer and the Property).
- (2)** Within the time specified in 18B(1), Buyer may request that Seller make Repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to Buyer's requests.
- (3)** By the end of the time specified in 18B(1) (or 2J for loan contingency; 2K for appraisal contingency; 16 for manufactured home purchase; and 17 for constructive home financing), Buyer shall remove, in writing, the applicable contingency (C.A.R. Form CR) or cancel this Agreement. However, if the following inspections, reports or disclosures are not made within the time specified in 18A, then Buyer has **5** (or ☐ _____) Days after receipt of any such items, or the time specified in 18B(1), whichever is later, to remove the applicable contingency or cancel this Agreement in writing: (i) government-mandated inspections or reports required as a condition of closing; (ii) Common Interest Disclosures pursuant to paragraph 7B; (iii) a subsequent or amended disclosure pursuant to paragraph 8; and (iv) Proposed Changes pursuant to paragraph 9.
- C. CONTINUATION OF CONTINGENCY OR CONTRACTUAL OBLIGATION; SELLER RIGHT TO CANCEL:**
- (1) Seller right to Cancel: Buyer Contingencies:** Seller, after first giving Buyer a Notice to Buyer to Perform (as specified below), may cancel this Agreement in writing and authorize return of Buyer's deposit if, by the time specified in this Agreement, Buyer does not remove in writing the applicable contingency or cancel this Agreement. Once all contingencies have been removed, failure of either Buyer or Seller to close escrow in time may be a breach of this Agreement.

Buyer's Initials (TC) (_____)
 Seller's Initials (_____) (_____)

Reviewed by _____ Date _____



- (2) **Continuation of Contingency:** Even after the expiration of the time specified in 18B, Buyer retains the right to make requests to Seller, remove in writing the applicable contingency or cancel this Agreement until Seller cancels pursuant to 18C(1). Once Seller receives Buyer's written removal of all contingencies, Seller may not cancel this Agreement pursuant to 18C(1).
- (3) **Seller right to Cancel: Buyer Contract Obligations:** Seller, after first giving Buyer a Notice to Buyer to Perform (as specified below), may cancel this Agreement in writing and authorize return of Buyer's deposit for any of the following reasons: (i) if Buyer fails to deposit funds as required by 2A or 2B; (ii) if the funds deposited pursuant to 2A or 2B are not good when deposited; (iii) if Buyer fails to provide a letter as required by 2H; (iv) if Buyer fails to provide verification as required by 2D or 2I or supporting documentation pursuant to 2M; or (v) if Seller reasonably disapproves of the verification provided by 2D or 2I or the credit report or supporting documentation pursuant to 2M. **Seller is not required to give Buyer a Notice to Perform regarding Close Of Escrow.**
- (4) **Notice To Buyer To Perform:** The Notice to Buyer to Perform (C.A.R. Form NBP) shall: (i) be in writing; (ii) be signed by Seller; and (iii) give Buyer at least 24 (or ☐ _____) hours (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A Notice to Buyer to Perform may not be given any earlier than 2 Days Prior to the expiration of the applicable time for Buyer to remove a contingency or cancel this Agreement or meet an 18C(3) obligation.
- D. **EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES:** If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in a separate written agreement between Buyer and Seller, Buyer shall conclusively be deemed to have: (i) completed all Buyer Investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility, and expense for repairs or corrections pertaining to that contingency or cancellation right, or for inability to obtain financing.
- E. **EFFECT OF CANCELLATION ON DEPOSITS:** If Buyer or Seller gives written NOTICE OF CANCELLATION pursuant to rights duly exercised under the terms of this Agreement, Buyer and Seller agree to Sign mutual instructions to cancel the sale and escrow and release deposits, less fees and costs, to the party entitled to the funds. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Release of funds will require mutual Signed release instructions from Buyer and Seller, judicial decision or arbitration award.
19. **FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final inspection of the Property within 5 (or _____) Days Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 10A; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement.
20. **ENVIRONMENTAL HAZARD CONSULTATION:** Buyer and Seller acknowledge: (i) Federal, state, and local legislation impose liability upon existing and former owners and users of real property, in applicable situations, for certain legislatively defined, environmentally hazardous substances; (ii) Broker(s) has/have made no representation concerning the applicability of any such Law to this transaction or to Buyer or to Seller, except as otherwise indicated in this Agreement; (iii) Broker(s) has/have made no representation concerning the existence, testing, discovery, location and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property; and (iv) Buyer and Seller are each advised to consult with technical and legal experts concerning the existence, testing, discovery, location and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property.
21. **LIQUIDATED DAMAGES:** If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. Buyer and Seller agree that this amount is a reasonable sum given that it is impractical or extremely difficult to establish the amount of damages that would actually be suffered by Seller in the event Buyer were to breach this Agreement. Release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award.
- Buyer's Initials TG / _____
Seller's Initials _____ / _____
22. **DISPUTE RESOLUTION:**
- A. **MEDIATION:** Buyer and Seller agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action. Paragraphs 22B(2) and (3) below apply whether or not the Arbitration provision is initialed. Mediation fees, if any, shall be divided equally among the parties involved. If, for any dispute or claim to which this paragraph applies, any party commences an action without first attempting to resolve the matter through mediation, or refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. **THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.**
- B. **ARBITRATION OF DISPUTES:** (1) Buyer and Seller agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration, including and subject to paragraphs 22B(2) and (3) below. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of real estate transactional Law experience, unless the parties mutually agree to a different arbitrator, who shall render an award in accordance with substantive California Law. The parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part III of the California Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Interpretation of this agreement to arbitrate shall be governed by the Federal Arbitration Act.
- (2) **EXCLUSIONS FROM MEDIATION AND ARBITRATION:** The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; and (iv) any matter that is within the jurisdiction of a probate, small claims, or bankruptcy court. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver of the mediation and arbitration provisions.
- (3) **BROKERS:** Buyer and Seller agree to mediate and arbitrate disputes or claims involving either or both Brokers, consistent with 22A and B, provided either or both Brokers shall have agreed to such mediation or arbitration prior to, or within a reasonable time after, the dispute or claim is presented to Brokers. Any election by either or both Brokers to participate in mediation or arbitration shall not result in Brokers being deemed parties to the Agreement.

"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."

"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

Buyer's Initials JG / _____

Seller's Initials _____ / _____

23. **PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS:** Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. The Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller. TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.

24. **WITHHOLDING TAXES:** Seller and Buyer agree to execute any instrument, affidavit, statement or instruction reasonably necessary to comply with federal (FIRPTA) and California withholding Law, if required (C.A.R. Forms AS and AB).

25. **MULTIPLE LISTING SERVICE/PROPERTY DATA SYSTEM:** If Broker is a participant of a Multiple Listing Service ("MLS") or Property Data System ("PDS"), Broker is authorized to report to the MLS or PDS a pending sale and, upon Close Of Escrow, the terms of this transaction to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS or PDS.

26. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.

27. **ATTORNEY FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorney fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 22A.

28. **SELECTION OF SERVICE PROVIDERS:** If Brokers refer Buyer or Seller to persons, vendors, or service or product providers ("Providers"), Brokers do not guarantee the performance of any Providers. Buyer and Seller may select ANY Providers of their own choosing.

29. **TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES:** Time is of the essence. All understandings between the parties are incorporated in this Agreement. Its terms are intended by the parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. **Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.**

30. **OTHER TERMS AND CONDITIONS,** including attached supplements:

☐ Purchase Agreement Addendum (C.A.R. Form PAA paragraph numbers: _____)

☐ Seller shall provide Buyer with a Seller Vacant Land Questionnaire (C.A.R. form VLQ) within the time specified in paragraph 18A

Purchaser has the right to assign this agreement.

31. **DEFINITIONS:** As used in this Agreement:

A. **"Acceptance"** means the time the offer or final counter offer is accepted in writing by a party and that acceptance is delivered to and personally received by the other party or that party's authorized agent in accordance with the terms of this offer or a final counter offer.

B. **"Agreement"** means the terms and conditions of this accepted Vacant Land Purchase Agreement and any accepted counter offers and addenda.

C. **"C.A.R. Form"** means the specific form referenced, or another comparable form agreed to by the parties.

D. **"Close Of Escrow"** means the date the grant deed, or other evidence of transfer of title, is recorded. If the scheduled close of escrow falls on a Saturday, Sunday or legal holiday, then close of escrow shall be the next business day after the scheduled close of escrow date.

E. **"Copy"** means copy by any means including photocopy, NCR, facsimile and electronic.

F. **"Days"** means calendar days, unless otherwise required by Law.

G. **"Days After"** means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59 PM on the final day.

H. **"Days Prior"** means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.

Buyer's Initials (JG) (_____)

Seller's Initials (_____) (_____)

Reviewed by _____ Date _____



- I. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either one to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other.
- J. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
- K. "Notice to Buyer to Perform" means a document (C.A.R. Form NBP), which shall be in writing and signed by Seller and shall give Buyer at least 24 hours (or as otherwise specified in paragraph 18C(4)) to remove a contingency or perform as applicable.
- L. "Repairs" means any repairs, alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
- M. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.
- N. Singular and Plural terms each include the other, when appropriate.
32. **AGENCY:**
- A. **POTENTIALLY COMPETING BUYERS AND SELLERS:** Buyer and Seller each acknowledge receipt of a disclosure of the possibility of multiple representation by the Broker representing that principal. This disclosure may be part of a listing agreement, buyer-broker agreement or separate document (C.A.R. Form DA). Buyer understands that Broker representing Buyer may also represent other potential buyers, who may consider, make offers on or ultimately acquire the Property. Seller understands that Broker representing Seller may also represent other sellers with competing properties of interest to this Buyer.
- B. **CONFIRMATION:** The following agency relationships are hereby confirmed for this transaction:
 Listing Agent Coldwell Banker Commercial TDC (Print Firm Name)
 is the agent of (check one): ☒ the Seller exclusively; or ☐ both the Buyer and Seller.
 Selling Agent _____ (Print Firm Name)
 (if not same as Listing Agent) is the agent of (check one): ☐ the Buyer exclusively; ☐ the Seller exclusively; or ☐ both the Buyer and Seller.
 Real Estate Brokers are not parties to the Agreement between Buyer and Seller.
33. **JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:**
- A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: 1, 2, 4, 14, 15B, 16, 17, 18E, 23, 24, 29, 30, 31, 33, 35, 38A, 39 and paragraph D of the section titled Real Estate Brokers on page 9. If a Copy of the separate compensation agreement(s) provided for in paragraph 35 or 38A, or paragraph D of the section titled Real Estate Brokers on page 9 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of the Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions directly from Escrow Holder and will execute such provisions upon Escrow Holder's request. To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow.
- B. A Copy of this Agreement shall be delivered to Escrow Holder within 3 business days after Acceptance (or ☐ _____). Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement.
- C. Brokers are a party to the Escrow for the sole purpose of compensation pursuant to paragraphs 35, 38A and paragraph D of the section titled Real Estate Brokers on page 9. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraphs 35 and 38A, respectively, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow, or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Escrow Holder shall immediately notify Brokers (i) if Buyer's initial or any additional deposit is not made pursuant to this Agreement or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.
- D. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 2 business days after mutual execution of the amendment.
34. **SCOPE OF BROKER DUTY:** Buyer and Seller acknowledge and agree that: Brokers: (i) do not decide what price Buyer should pay or Seller should accept; (ii) do not guarantee the condition of the Property; (iii) do not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) shall not be responsible for identifying defects that are not known to Broker(s); (v) shall not be responsible for inspecting public records or permits concerning the title or use of the Property; (vi) shall not be responsible for identifying location of boundary lines or other items affecting title; (vii) shall not be responsible for verifying square footage, representations of others or information contained in inspection reports, MLS or PDS, advertisements, flyers or other promotional material, unless otherwise agreed in writing; (viii) shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller in the course of this representation; and (ix) shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.
35. **BROKER COMPENSATION FROM BUYER:** If applicable, upon Close Of Escrow, Buyer agrees to pay compensation to Broker as specified in a separate written agreement between Buyer and Broker.
36. **TERMS AND CONDITIONS OF OFFER:** This is an offer to purchase the Property on the above terms and conditions. All paragraphs with spaces for initials by Buyer and Seller are incorporated in this Agreement only if initialed by all parties. If at least one but not all parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. Buyer has read and acknowledges receipt of a Copy of the offer and agrees to the above confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.

 Buyer's Initials (JA) (_____)
 Seller's Initials (_____) (_____)

Reviewed by _____ Date _____



Property: 500 South Guild Avenue

Date: March 27, 2008

37. EXPIRATION OF OFFER: This offer shall be deemed revoked and the deposit shall be returned, unless the offer is Signed by Seller, and a Copy of the Signed offer is personally received by Buyer, or by MICHAEL CAROUBA who is authorized to receive it by 5:00 PM on the third Day after this offer is signed by Buyer (or, if checked, ☒ by April 7, 2008 (date), at 5:00 ☐ AM ☒ PM).

Date March 27, 2008

BUYER GG Land Group

By [Signature]

Print Name Tom Galuski

Title President

Address 330 N. Jefferson St Suite 1401

Chicago, IL 60661

Date _____

BUYER _____

By _____

Print Name _____

Title _____

Address _____

38. BROKER COMPENSATION FROM SELLER:

- A. Upon Close Of Escrow, Seller agrees to pay compensation to Broker as specified in a separate written agreement between Seller and Broker.
B. If escrow does not close, compensation is payable as specified in that separate written agreement.

39. ACCEPTANCE OF OFFER: Seller warrants that Seller is the owner of the Property, or has the authority to execute this Agreement. Seller accepts the above offer, agrees to sell the Property on the above terms and conditions, and agrees to the above confirmation of agency relationships. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to deliver a Signed Copy to Buyer.

☐ (If checked) **SUBJECT TO ATTACHED COUNTER OFFER, DATED** _____

Date _____

SELLER _____

By _____

Print Name _____

Title _____

Address _____

Date _____

SELLER _____

By _____

Print Name _____

Title _____

Address _____

(_____ / _____) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) _____ at _____ ☐ AM ☐ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

REAL ESTATE BROKERS:

- A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.
B. Agency relationships are confirmed as stated in paragraph 32.
C. If specified in paragraph 2A, Agent who submitted offer for Buyer acknowledges receipt of deposit.
D. COOPERATING BROKER COMPENSATION: Listing Broker agrees to pay Cooperating Broker (Selling Firm) and Cooperating Broker agrees to accept, out of Listing Broker's proceeds in escrow: (i) The amount specified in the MLS or PDS, provided Cooperating Broker is a Participant of the MLS or PDS in which the Property is offered for sale or a reciprocal MLS or PDS, or ☐ (if checked) (ii) the amount specified in a separate written agreement (C.A.R. Form CBC) between Listing Broker and Cooperating Broker.

Real Estate Broker (Selling Firm) _____ DRE Lic. # _____

By _____ DRE Lic. # _____ Date _____

Address _____ City _____ State _____ Zip _____

Telephone _____ Fax _____ E-mail _____

Real Estate Broker (Listing Firm) Coldwell Banker Commercial TDC DRE Lic. # 01190817

By Michael Carouba DRE Lic. # 01339289 Date February 15, 2008

Address 18826 N. lower Sacramento Road City WOODBRIDGE State CA Zip 95258

Telephone (209) 334-6717x12 Fax (209) 334-2521 E-mail MICHAEL@DUNCANDA.COM

ESCROW HOLDER ACKNOWLEDGMENT:

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked, ☐ a deposit in the amount of \$ _____), counter offer numbers _____ and _____

_____, and agrees to act as Escrow Holder subject to paragraph 33 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is _____

Escrow Holder _____ Escrow # _____

By _____ Date _____

Address _____

Phone/Fax/E-mail //

Escrow Holder is licensed by the California Department of ☐ Corporations, ☐ Insurance, ☐ Real Estate. License # _____

(_____ / _____) REJECTION OF OFFER: No counter offer is being made. This offer was reviewed and rejected by Seller on (Seller's Initials) _____ (Date) _____

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Reviewed by _____ Date _____





CALIFORNIA
ASSOCIATION
OF REALTORS®

ADDENDUM

(C.A.R. Form ADM, Revised 10/01)

No. 1

The following terms and conditions are hereby incorporated in and made a part of the: ☐ Residential Purchase Agreement, ☐ Manufactured Home Purchase Agreement, ☐ Business Purchase Agreement, ☐ Residential Lease or Month-to-Month Rental Agreement, ☒ Vacant Land Purchase Agreement, ☐ Residential Income Property Purchase Agreement, ☒ Commercial Property Purchase Agreement, ☐ other _____

dated March 27, 2008, on property known as 500 South Guild Ave.

in which GG Land Group LLC is referred to as ("Buyer/Tenant")
and City of Lodi is referred to as ("Seller/Landlord").

Buyer is purchasing the property with the intent of developing the parcel. Buyer acknowledges that seller would like the subject property developed in order to foster economic activity in the City of Lodi. Within twelve months after the close of escrow, Buyer shall make a good faith effort to file a development application with the City of Lodi.

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document.

Date MARCH 27, 2008

Date _____

Buyer/Tenant GG Land Group LLC

Seller/Landlord City of Lodi

Buyer/Tenant _____

Seller/Landlord _____

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Reviewed by _____ Date _____
Broker or Designee _____



ADM-11 REVISED 10/01 (PAGE 1 OF 1)

ADDENDUM (ADM-11 PAGE 1 OF 1)

Michael Carouba, Broker
Phone: (209) 327-7700

103 Applewood Drive, Lodi
Fax: (209) 339-0203

CA 95242
Michael Carouba

T6368936.ZFX

RESOLUTION NO. 2008-_____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE
CITY MANAGER TO EXECUTE A \$2.15 MILLION PURCHASE AND
SALE AGREEMENT FOR 9.09 ACRE ELECTRIC UTILITY
PROPERTY LOCATED AT 500 SOUTH GUILD AVENUE WITH GG
LAND GROUP LLC

=====

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby
authorize the City Manager to execute a \$2.15 Million Purchase and Sale Agreement for
9.09-Acre Electric Utility Property Located at 500 South Guild Avenue with GG Land
Group LLC

Dated: April 2, 2008

=====

I hereby certify that Resolution No. 2008-_____ was passed and adopted by the
City Council of the City of Lodi in a regular meeting held April 2, 2008, by the following
vote:

AYES: COUNCIL MEMBERS –
NOES: COUNCIL MEMBERS –
ABSENT: COUNCIL MEMBERS –
ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk

2008-_____



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Approval of Expenses Incurred by Outside Counsel/Consultants Relative to the Environmental Abatement Program Litigation (\$115,622.37).

MEETING DATE: April 2, 2008 City Council Meeting

PREPARED BY: City Attorney's Office

RECOMMENDED ACTION: That the City Council approve for payment expenses incurred by outside Counsel/Consultants related to the Environmental Abatement litigation in the total amount of \$115,622.37.

BACKGROUND INFORMATION: Listed below are invoices from the City's outside counsel, Folger, Levin & Kahn and other outside counsel/consultants for services incurred relative to the Environmental Abatement Program litigation that are currently outstanding and need to be considered for payment.

Folger Levin & Kahn - Invoices Distribution				Water Acct.
Matter No.	Invoice No.	Date	Description	Amount
8001	107537	Feb-08	General Advice	57.62
8008	107538	Feb-08	Col v. Envision	91,847.75
	19953	Feb-08	Dole, Coalwell, Clark, (outside counsel)	849.00
	133575	Feb-08	Hemming Morse, Inc.	15,691.25
Total				\$108,445.62

MISCELLANEOUS			Water Account
Invoice No.	Date	Description	Amount
20075436	1/24/2008	Legalink, Inc.	1,327.50
20075740	1/25/2008	Legalink, Inc.	1,433.75
20076164	2/12/2008	Legalink, Inc.	1,327.50
20076233	2/13/2008	Legalink, Inc.	1,388.00
1100048452	1/31/2008	JAMS/Hartford v. City of Lodi	1,700.00
			\$7,176.75

FISCAL IMPACT: All expenses will be paid out of the Water Fund.

FUNDING AVAILABLE: Water Fund \$115,622.37

D. Stephen Schwabauer, City Attorney

Approved: _____
Kirk Evans, Budget Manager

APPROVED: _____
Blair King, City Manager



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Ordinance No. 1809 Entitled, “An Uncodified Ordinance of the City Council of the City of Lodi, Repealing Ordinance 847 in Its Entirety Relating to a Specific Plan for Lower Sacramento Road from West Lodi Avenue to West Turner Road”

MEETING DATE: April 2, 2008

PREPARED BY: City Clerk

RECOMMENDED ACTION: Motion waiving reading in full and (following reading by title) adopting the attached Ordinance No. 1809.

BACKGROUND INFORMATION: Ordinance No. 1809 entitled, “An Uncodified Ordinance of the City Council of the City of Lodi, Repealing Ordinance 847 in Its Entirety Relating to a Specific Plan for Lower Sacramento Road from West Lodi Avenue to West Turner Road,” was introduced at the regular City Council meeting of March 19, 2008.

ADOPTION: With the exception of urgency ordinances, no ordinance may be passed within five days of its introduction. Two readings are therefore required – one to introduce and a second to adopt the ordinance. Ordinances may only be passed at a regular meeting or at an adjourned regular meeting; except for urgency ordinances, ordinances may not be passed at a special meeting. Id. All ordinances must be read in full either at the time of introduction or at the time of passage, unless a regular motion waiving further reading is adopted by a majority of all council persons present. ***Cal. Gov’t Code § 36934.***

Ordinances take effect 30 days after their final passage. ***Cal. Gov’t Code § 36937.***

This ordinance has been approved as to form by the City Attorney.

FISCAL IMPACT: None.

FUNDING AVAILABLE: None required.

Randi Johl
City Clerk

RJ/jmp

Attachment

APPROVED: _____
Blair King, City Manager

ORDINANCE NO. 1809

AN UNCODIFIED ORDINANCE OF THE CITY COUNCIL OF THE
CITY OF LODI, REPEALING ORDINANCE 847 IN ITS ENTIRETY
RELATING TO A SPECIFIC PLAN FOR LOWER SACRAMENTO
ROAD FROM WEST LODI AVENUE TO WEST TURNER ROAD

=====

BE IT ORDAINED BY THE LODI CITY COUNCIL AS FOLLOWS:

SECTION 1. Ordinance 847, adopted August 2, 1967, adopting a specific plan for Lower Sacramento Road from West Lodi Avenue to West Turner Road is hereby repealed in its entirety.

SECTION 2. No Mandatory Duty of Care. This ordinance is not intended to and shall not be construed or given effect in a manner which imposes upon the City, or any officer or employee thereof, a mandatory duty of care towards persons or property within the City or outside of the City so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

SECTION 3. Severability. If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application. To this end, the provisions of this ordinance are severable. The City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof.

SECTION 4. All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

SECTION 5. This ordinance shall be published pursuant to law and shall become effective thirty (30) days from the date of passage and adoption.

Approved this 2nd day of April, 2008

JOANNE MOUNCE
Mayor

ATTEST:

RANDI JOHL
City Clerk

State of California
County of San Joaquin, ss.

I, Randi Johl, City Clerk of the City of Lodi, do hereby certify that Ordinance No. 1809 was introduced at a regular meeting of the City Council of the City of Lodi held March 19, 2008, and was thereafter passed, adopted, and ordered to print at a regular meeting of said Council held April 2, 2008, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

I further certify that Ordinance No. 1809 was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.

RANDI JOHL
City Clerk

Approved to Form:

D. STEPHEN SCHWABAUER
City Attorney